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THE COLLECTED WORKS

OF

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LECTURES

ON

POLITICAL ECONOMY.

NOW FIRST PUBLISHED.

VOL. II.

TO WHICH IS PREFIXED,

PART THIRD

OF THE

OUTLINES OF MORAL PHILOSOPHY.

BY

DUGALD STEWART, ESQ.

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LECTURES ON POLITICAL ECONOMY.

[CONTINUATION OF BOOK SECOND.]

[OF NATIONAL WEALTH.]

[CHAPTER III.]

[OF TRADE.]

SECT. I.—OF THE FREEDOM OF TRADE.

(*Interpolation from Notes.*)—I now proceed to trace, in as few words as possible, the outline of that practical doctrine, concerning the *freedom of trade*, which it was the great scope of Mr. Smith's work to establish; combining together, in one point of view, various speculations, which his comprehensive plan necessarily led him to state under different titles.

I have observed, in my *Account of the Life and Writings of Mr. Smith*, "that the great and leading object of Mr. Smith's speculations is to illustrate the provision made by nature in the principles of the human mind, and, in the circumstances of man's external situation, for a gradual and progressive augmentation in the means of national wealth, and to demonstrate, that the most effectual plan for advancing a people to greatness, is to maintain that order of things which nature has pointed out, by allowing every man, as long as he observes the rules of justice, to pursue his own interest in his own way, and to bring both his industry and his capital into the freest competition with those of his fellow-citizens.

"Every system of policy, which endeavours, either by extraordinary encouragements to draw towards a particular species of industry a greater share of the capital of the society than what would naturally go to it, or, by extraordinary restraints, to force from a particular species of industry some share of the capital which would otherwise be employed in it, is, in reality, subversive of the great purpose which it means to promote.

"What the circumstances are, which, in modern Europe, have contributed to disturb this order of nature, and, in particular, to encourage the industry of towns, at the expense of that of the country, Mr. Smith has investigated with great ingenuity, and in such a manner as to throw much new light on the history of that state of society which prevails in this quarter of the globe. His observations on this subject tend to shew, that these circumstances were, in their first origin, the natural and the unavoidable result of the peculiar situation of mankind during a certain period; and that they took their rise, not from any general scheme of policy, but from the private interests and prejudices of particular orders of men.

"The state of society, however, which at first arose from a singular combination of accidents, has been prolonged much beyond its natural period, by a false system of Political Economy, propagated by merchants and manufacturers; a class of individuals whose interest is not always the same with that of the public, and whose professional knowledge gave them many advantages, more particularly in the infancy of this branch of science, in defending those opinions which they wished to encourage. By means of this system, a new set of obstacles to the progress of national prosperity has been created. Those which arose from the disorders of the feudal ages, tended directly to disturb the internal arrangements of society, by obstructing the free circulation of labour and of stock, from employment to employment, and from place to place. The false system of Political Economy which has been hitherto prevalent, as its professed object has been to regulate the commercial intercourse between different nations, has produced its

effect in a way less direct and less manifest, but equally prejudicial to the states that have adopted it."*

According to this view of the subject, the doctrine of the freedom of trade appears to me to divide itself naturally into two articles. The one relates to those restraints which check the free circulation of labour and stock among the members of the same community, the other, to the restraints on the commercial intercourse of different nations. I shall consider these *two* articles separately, beginning with the restraints on domestic commerce. What I have to offer on this subject, I must again remind you, will be little more than an abridgment of Mr. Smith's argument, which, indeed, it is absolutely necessary to introduce in order to prepare the way for the discussions which still remain.

[SUBSECT. I.—*Of Restraints on Domestic Commerce and Industry.*]

I had occasion before to mention Mr. Smith's analysis of the *component parts of the price of commodities.*† The same author observes, that "as the price or exchangeable value of every particular commodity, taken separately, resolves itself into some one or other, or all of those three parts; so that of all the commodities which compose the whole annual produce of the labour of every country, taken complexly, must resolve itself into the same three parts, and be parcelled out among different inhabitants of the country, either as the wages of their labour, the profits of their stock, or the rent of their land. . . . .

"When those three different sorts of revenue belong to different persons, they are readily distinguished; but when they belong to the same, they are sometimes confounded with one another, at least in common language.

"A gentleman who farms a part of his own estate, after paying the expense of cultivation, should gain both the rent of the landlord and the profit of the farmer. He is apt to deno-

* [Sect. iv., *infra*, Vol. X. pp. 60, 61.]

† [See above, *Political Economy*, Vol. I. (*Works*, Vol. VIII.) p. 391.]

minate, however, his whole gain profit, and thus confounds rent with profit, at least in common language."*

In some of Mr. Smith's illustrations of this subject, there are principles involved which have a connexion with those definitions of national wealth and of productive labour, on which I formerly hazarded some criticisms. But to these it is not necessary for me to attend at present. Nor, perhaps, will it be possible for me to avoid some other peculiarities of expression connected with his system, which I should not voluntarily have adopted if I had followed the train of my own thoughts in stating the doctrines now to be explained. I cannot help adding, that the result of Mr. Smith's speculations respecting the component parts of *price*, although sufficiently accurate for our present purpose, is by no means unexceptionable in point of distinctness.

It appears from a manuscript of Mr. Smith's, now in my possession, that the foregoing analysis or division was suggested to him by Mr. Oswald of Dunnikier. It is somewhat remarkable, that the very same division is hinted at by Sir William Petty, who states it as an impediment to national prosperity, that taxes should be levied on lands alone, and not on land, stock, and labour.

In the very slight view of the subject to which I am obliged to confine my attention, I shall have little or no occasion to touch on the *rent of land*, the political regulations I have in view tending chiefly to affect wages and profit in the different employments of *labour* and *stock*. In order to convey a distinct idea of the manner in which these regulations operate, it is necessary for me to premise a few other general considerations, in addition to those which have been already suggested. It is necessary, in particular, for me to give a short recapitulation of Mr. Smith's doctrines concerning the *natural price of commodities*, as distinguished from that which they actually bear in the market. Some of these principles I have had occasion to state already; but they are so intimately connected with the subject now in view, that I shall again recall them to your attention.

* [*Wealth of Nations*, Book I. chap. vi.; Vol. I. p. 78, *seq.*, tenth edition.]

"When the price of any commodity is neither more nor less than what is sufficient to pay the rent of the land, the wages of the labour, and the profits of the stock employed in raising, preparing, and bringing it to market, according to their natural rates, the commodity is then sold for what may be called its *natural price*."* This is frequently different from the *market price*, which depends upon the proportion which is actually brought to market, and the extent of the demand. With respect to the market price of commodities, it is very justly observed by Mr. Thornton, that "it is formed by means of a certain struggle which takes place between the buyers and the sellers. It is commonly said, that the price of a thing is regulated by the proportion between the supply and the demand. This is, undoubtedly, true; and for the following reason:—If the supply of an article, or the demand for it, is great, it is also known to be great; and if small, it is understood to be small. When, therefore, the supply, for example, is known to be less than the demand, the sellers judge that the buyers are in some degree in their mercy, and they insist on as favourable a price as their power over the buyers is likely to enable them to obtain. The price paid is not at all governed by the equity of the case, but entirely by the degree of command which the one party has over the other. When the demand is less than the supply, the buyers, in their turn, in some degree, command the market, giving not that sum which is calculated to indemnify the seller against loss, but so much only as they think that the seller will accept rather than not sell his article. The question of price is, therefore, in all cases, a question of power, and of power only. It is obvious, that a rise in the price of a scarce commodity, will be more or less considerable in proportion as the article is felt to be one of more or less strict necessity."†

Of this remark of Mr. Thornton's, a very striking illustration is afforded by our immense importations from the north of

* [*Wealth of Nations*, Book I. chap. vii.; Vol. I. p. 82, tenth edition.]

† [*Inquiry into the Nature and Effect of the Paper Credit of Great Britain*, Chap. viii. p. 193, *seq.*]

Europe; importations occasioned chiefly by the great difference in the value of money in this country, and in these nations; in consequence of which, they have it always in their power so to suit their prices to our market, as to keep them below that at which we can produce the same articles ourselves. It frequently happens, that avarice counteracts this state of things, in some instances to a great degree, and to a certain degree in all. Thus, for example, we can supply ourselves with iron at as cheap a rate as the Swedes and Russians now are disposed to do it, but not at so low a price as they might sell it. Had they been disposed to extend the iron trade, instead of demanding the highest prices which they could get, we should never have made the progress we have made in this very important article of manufacture. The price, in fact, of every article which we purchase from the north, is regulated by the price which the same article could be raised at in England, and not according to what Mr. Smith calls the natural price. Thus, we are assured by the best authorities, that the tallow and hides which come into the English market, are sold for above three times the natural proportion which they should bear to the price of that part of the beast which is consumed in Russia. According to the principles which have been seen to regulate the natural price of commodities, the pound of tallow should not be sold at a higher price than the pound of meat; whereas, in Russia, it is sold at more than ten, and even fifteen times that price. This, however, it is added, was not the case till the exportation of tallow to England became general.

My reason for entering here into this detail, was the illustration it affords of the difference between the principles which regulate the natural and the market prices of commodities. Among the articles imported from Russia, there are very few which we cannot produce ourselves; but the fact is, that the value of money is so different in the two countries, that whatever is brought to this market becomes too dear for their own consumption. A Russian peasant, accordingly, although supplied with abundance of animal food, is not able to afford to burn a candle; while we find that the English peasants burn

candles made of Russian tallow, while they cannot afford to live upon butchers' meat. "It is the great price which England can afford to give, and actually gives, that," as remarked by a late intelligent writer, "raises all over Europe the price of every sort of article which comes to her market. The dearth of corn in England has enriched Poland, and many other countries, in a few years, and its wealth is gradually diffusing its influence over other parts of the world." It is painful to observe, after this very judicious preamble, the same author relapse soon afterwards into the exploded errors of the mercantile system.

These facts, which turn almost entirely on the different values of money in different countries, are evidently by no means inconsistent with Mr. Smith's general principle, that in the same society or neighbourhood, the market price of commodities has always a tendency to adjust itself to the natural price. "The quantity of every commodity brought to market," says Mr. Smith, naturally suits itself to the effectual demand. It is the interest of all those who employ their land, labour, or stock, in bringing any commodity to market, that the quantity never should exceed the effectual demand; and it is the interest of all other people that it never should fall short of that demand."* Notwithstanding, however, this natural tendency in the supply to adjust itself to the demand, a variety of circumstances may prevent it from actually taking place even in the same society or neighbourhood. "But, in some employments, the same quantity of industry will, in different years, produce very different quantities of commodities, while in others it will produce always the same, or very nearly the same. The same number of labourers in husbandry will, in different years, produce very different quantities of corn, wine, oil, hops, &c. But the same number of spinners and weavers will every year produce the same, or very nearly the same, quantity of linen and woollen cloth. It is only the average produce of the one species of industry which can be suited in any respect to the effectual demand; and as its actual produce is frequently much greater, and frequently much less than its average produce, the quantity

* [*Wealth of Nations*, Book I. chap. vii.; Vol. I. p. 86, tenth edition.]

of the commodities brought to market will sometimes exceed a good deal, and sometimes fall short a good deal, of the effectual demand. Even though that demand therefore should continue always the same, their market price will be liable to great fluctuations,—will sometimes fall a good deal below, and sometimes rise a good deal above, their natural price. In the other species of industry, the produce of equal quantities of labour being always the same, or very nearly the same, it can be more exactly suited to the effectual demand. While that demand continues the same, therefore, the market price of the commodities is likely to do so too, and to be either altogether, or as nearly as can be judged of, the same with the natural price."*

Abstracting from these circumstances, other causes may produce the same effects. These Mr. Smith refers to three heads, *first*, particular accidents, which give one society of men an advantage over others in supplying the markets; *secondly*, local peculiarities of soil and climate; and, *thirdly*, particular regulations of police.†

It is to the last of these circumstances (particular regulations of police, such as monopolies, statutes of apprenticeship, &c.) that I am to confine myself in the following observations:—

In entering on this subject, Mr. Smith lays it down as a fundamental maxim, that "the whole of the advantages and disadvantages of the different employments of labour and stock must, in the same neighbourhood, be either perfectly equal, or continually tending to an equality. If, in the same neighbourhood, there was any employment evidently either more or less advantageous than the rest, so many people would crowd into it in the one case, and so many would desert it in the other, that its advantages would soon return to the level of other employments. This, at least, would be the case in a society where things were left to follow their natural course, where there was perfect liberty, and where every man was perfectly free to choose what occupation he thought proper. Every man's interest would prompt him to the advantageous, and to shun the disadvantageous employment.

* [Ibid. pp. 87, 88.]

† [Ibid. p. 90.]

"Pecuniary wages and profit, indeed, are everywhere in Europe extremely different, according to the different employments of labour and stock. But this difference arises partly from certain circumstances in the employments themselves, which, either really, or at least in the imaginations of men, make up for a small pecuniary gain in some, and counterbalance a great one in others, and partly from the policy of Europe, which nowhere leaves things at perfect liberty."*

It is with the latter of these circumstances alone that we are properly concerned at present. But the enumeration of the circumstances referred to under the former head, may be useful, as affording an illustration of the general principles which regulate this article of Political Economy. The subject, too, is important in itself; and I shall compress the leading ideas of Mr. Smith into a very few sentences.

According to him, the wages of labour vary by relation to—

"1. The ease or hardship, cleanness or dirtiness, honourableness or dishonourableness of the employment.

"2. The easiness and cheapness, or the difficulty and expense, of learning the business; hence the pecuniary recompense of painters and sculptors, lawyers and physicians, ought to be, and generally is, much more liberal than that of the mechanical employments.

"3. The constancy or inconstancy of employment; hence masons and bricklayers are paid higher in proportion than manufacturers, who are sure of constant employment.

"4. The great or small trust reposed in the workmen; and—

"5. The greater or less probability of success in the employment."†

"Of the five circumstances, therefore, which vary the wages of labour, two only affect the profits of stock,—the agreeableness or disagreeableness of the business, and the risk or security with which it is attended."‡

* [*Wealth of Nations*, Book I. chap. x.; Vol. I. p. 151, *seq.*, tenth edition.]

† [For Mr. Smith's illustrations of these, see *Wealth of Nations*, Book I. chap. x.; Vol. I. pp. 152-170, tenth edition.]

‡ [Ibid.]

But what I should wish chiefly to remark at present is, that these circumstances, though they occasion considerable inequalities in the wages of labour and the profits of stock, occasion none in the whole of the advantages and disadvantages, real or imaginary, of the different employments of either.

This distribution, however, of labour and stock, which, in so far as it results from the unrestrained choice of individuals, may be regarded as the appointment of nature, has been disturbed in various ways by the policy of modern Europe. Of these, *three* are mentioned by Mr. Smith as more particularly deserving of attention.

"*First*, by restraining the competition in some employments to a smaller number than would otherwise be disposed to enter into them; *secondly*, by increasing it in others beyond what it naturally would be; and *thirdly*, by obstructing the free circulation of labour and stock, both from employment to employment, and from place to place.

"*First*, The policy of Europe occasions a very important inequality in the whole of the advantages and disadvantages of the different employments of labour and stock, by restraining the competition in some employments to a smaller number than might otherwise be disposed to enter into them.

"The exclusive privileges of corporations are the principal means it makes use of for this purpose."* Mr. Smith's reasonings against apprenticeships will be found in Book I. chap. x. part ii.† Were competition increased by their removal, he observes; "the trades, the crafts, the mysteries, would all be losers. But the public would be a gainer, the work of all artificers coming in this way much cheaper to market."

A remarkable illustration of this last observation is furnished by the history of two villages, which I had once an opportunity of observing with some attention, the villages of La Chaux de Fond and Locle, situated in a small district, which forms part of the principality of Neufchatel. The number of inhabitants in these two villages, and in the adjoining district, was computed, some years ago, at six thousand. They carried on, at that

* [Ibid. pp. 183, 184.] † [Ibid. pp. 183-201.]

time, an extensive commerce in lace, stockings, cutlery, and various other branches of manufacture; but watchmaking, and every branch of clockwork, were the articles in which they particularly excelled. They not only made every utensil employed in the manufacture, but had invented several peculiar to themselves; and all sorts of trade, subservient to those principally carried on, had gradually risen up among them. The number of watches annually made was reckoned at 40,000. Not many years ago, the greatest part of the territory contiguous to these villages, which is now covered with flourishing hamlets and fertile pastures, was almost one continued forest. So rapidly, however, has the population increased, that the produce of the country, which was formerly more than sufficient for the whole of the inhabitants, now scarcely furnishes, according to Mr. Coxe, an eighth part of the provisions necessary for the interior consumption, the remainder being drawn from the adjoining province of Franche Comté in France. The truth is, that every stranger who brought a certificate of good behaviour was at liberty to settle in the district, and follow any trade he chose, without restriction.

"The origin of watchmaking," says Mr. Coxe, "in this part of Switzerland, as related by Mr. Osterwald, ancient banneret of Neufchatel, (the historiographer of these mountains,) is extremely curious; and the truth of his account was confirmed to me by several artists both of Locle and La Chaux de Fond. In 1679, one of the inhabitants brought with him from London a watch, the first that had been seen in these parts; which happening to be out of order, he ventured to trust it in the hands of one Daniel John Richard of La Sagne. Richard, after examining the mechanism with great attention, conceived himself capable, and was determined to attempt, to make a watch from the model before him; but to this end he was destitute of every other assistance than the powers of his own native genius. Accordingly, he employed a whole year in inventing and in finishing the several instruments previously necessary for executing his purpose; and in six months from that period, by the sole force of his own penetrating and per-

severing talents, he produced a complete watch. But his ambition and industry did not stop here; besides applying himself successfully to the invention of several new instruments useful for the perfection of his work, he took a journey to Geneva, where he gained considerable information in the art. He continued for some time the only man in these parts who could make a watch; but business increasing, he took in and instructed several associates, by whose assistance he was enabled to supply from his single shop all the demands of the neighbouring country. Towards the beginning of the present century, he removed to Locle, where he died in 1741, leaving five sons, who all of them followed their father's occupation. From these the knowledge and practice of the art gradually spread itself, till it at length became almost the universal business of the inhabitants, and the principal cause of the populousness of these mountains."*

Nor has the inventive genius of the people stopped here. A variety of mathematical instruments are to be found in their houses; and several natives have acquired very considerable fortunes by exhibiting mathematical figures and other objects of mechanical curiosity, in the different countries of Europe.

The point of view, however, in which restraints on the freedom of competition appear most injurious to the public prosperity is, when we attend to the undue advantage which they give to the industry of the towns over that of the country. It is from the country that every town draws its whole subsistence, and all the materials of its industry. "It pays for these chiefly in two ways: first, by sending back to the country a part of those materials wrought up and manufactured; in which case their price is augmented by the wages of the workmen, and the profits of their masters or immediate employers. Secondly, by sending to it a part both of the rude and manufactured produce, either of other countries, or of distant parts of the same country, imported into the town; in which case too the original price

* [*Sketches of the Natural, Civil, and Political State of Swisserland; in a Series of Letters to William Melmoth, Esq.*, 1779. Letter XXVII. pp. 338, 339.]

of those goods is augmented by the wages of the carriers or sailors, and by the profits of the merchants who employ them. In what is gained upon the first of those two branches of commerce, consists the advantage which the town makes by its manufactures; in what is gained upon the second, the advantage of its inland and foreign trade. The wages of the workmen, and the profits of their different employers, make up the whole of what is gained upon both. Whatever regulations, therefore, tend to increase those wages and profits beyond what they otherwise would be, tend to enable the town to purchase, with a smaller quantity of its labour, the produce of a greater quantity of the labour of the country. They give the traders and artificers in the town an advantage over the landlords, farmers, and labourers in the country, and break down that natural equality which would otherwise take place in the commerce which is carried on between them. The whole annual produce of the labour of the society is annually divided between those two different sets of people. By means of those regulations a greater share of it is given to the inhabitants of the town than would otherwise fall to them, and a less to those of the country.

"The price which the town really pays for the provisions and materials annually imported into it, is the quantity of manufactures and other goods annually exported from it. The dearer the latter are sold, the cheaper the former are bought. The industry of the town becomes more, and that of the country less advantageous. . . .

"The superiority which the industry of the towns has everywhere, in Europe, over that of the country, is not altogether owing to corporations and corporation laws. It is supported by many other regulations. The high duties upon foreign manufactures, and upon all goods imported by alien merchants, all tend to the same purpose. Corporation laws enable the inhabitants of towns to raise their prices, without fearing to be undersold by the competition of their own countrymen. Those other regulations secure them equally against that of foreigners. The enhancement of price occasioned by both is everywhere finally paid by the landlord, farmers, and labourers of the country

who have seldom opposed the establishment of such monopolies. They have commonly neither inclination nor fitness to enter into combinations; and the clamour and sophistry of merchants and manufacturers, easily persuade them that the private interest of a part, and of a subordinate part, of the society, is the general interest of the whole.

"In Great Britain, the superiority of the industry of the towns over that of the country, seems to have been greater formerly than in the present times. The wages of country labour approach nearer to those of manufacturing labour, and the profits of stock employed in agriculture to those of trading and manufacturing stock, than they are said to have done in the last century, or in the beginning of the present. This change may be regarded as the necessary, though very late, consequence of the extraordinary encouragement given to the industry of the towns. The stock accumulated in them comes in time to be so great, that it can no longer be employed with the ancient profit in that species of industry which is peculiar to them. That industry has its limits like every other; and the increase of stock, by increasing the competition, necessarily reduces the profit. The lowering of profit in the town, forces out stock to the country, where, by creating a new demand for country labour, it necessarily raises its wages. It then spreads itself, if I may say so, over the face of the land, and by being employed in agriculture, is in part restored to the country, at the expense of which, in a great measure, it had originally been accumulated in the town."*

For the explanation of the causes which, in modern Europe, have thus given to the commerce of the towns so decided an advantage over that of the country, I refer to what Mr. Smith has said on the subject in the third and fourth chapters of his Third Book, concerning the rise and progress of cities and towns after the fall of the Roman Empire. On the same subject, too, a great deal of most important and curious information is to be found in the first volume of Dr. Robertson's *History of Charles the Fifth.*

* [*Wealth of Nations*, Book I. chap. x.; Vol. I. pp. 193-199, tenth edition.]

To this general head of the privileges of corporations, the question concerning the advantages to be derived from universities properly belongs. Some valuable hints on this question have been suggested by Mr. Smith; but I must not at present enter upon the discussion.

Another class of obstructions to the natural distribution of labour and stock in the community, is produced by exclusive companies and monopolies of every description. The enormous length to which monopolies were carried in the reign of Queen Elizabeth, is well known. Mr. Hume tells us, that "she granted her servants and courtiers patents for monopolies; and these patents they sold to others, who were thereby enabled to raise commodities to what price they pleased, and who put invincible restraints upon all commerce, industry, and emulation in the arts. It is astonishing to consider the number and importance of those commodities, which were thus assigned over to patentees. Currants, salt, iron, powder, cards, calf-skins, fells, pouldavies, ox shin-bones, train oil, lists of cloth, pot-ashes, anise-seeds, vinegar, sea-coals, steel, aquavitæ, brushes, pots, bottles, salt-petre, lead, accidence, oil, calaminestone, oil of blubber, glasses, paper, starch, tin, sulphur, new drapery, dried pilchards, transportation of iron ordnance, of beer, of horn, of leather, importation of Spanish wool, of Irish yarn. These are but a part of the commodities which had been appropriated to monopolists."*

These monopolies were, in a great measure, removed by a statute of James First, declaring all monopolies to be "contrary to law, and to the known liberties of the people. It was then supposed, that every subject of England had entire power to dispose of his own actions, provided he did no injury to his fellow-subjects, and that no prerogative of the king, no power of any magistrate, nothing but the authority alone of laws could restrain that unlimited freedom."†

While James, however, called in and annulled all the patents for monopolies which had been granted by his predecessors, and which had extremely fettered every species of domestic industry, exclusive companies still remained,—another species of mono-

* [*History of England*, Chap. xliv.] † [Ibid. chap. xlix.]

poly, by which every prospect of future improvement in commerce was for ever sacrificed for a little temporary advantage to the sovereign. Of this species of monopoly there are still various examples, which have the most extensive influence on the general prosperity of this country. Their necessary effect, in every instance, is not only to exclude the greater part of the nation from a trade to which it might be convenient for them to turn their stock, but to oblige them to buy the goods, which are the subject of it, at a dearer rate than if the trade were open to all. For a full illustration of these observations, I must refer to the seventh chapter of the Fourth Book of the *Wealth of Nations.*

The doctrine of the freedom of trade, in so far as it applies to monopolies and exclusive companies, seems to have been perfectly understood by various writers of the seventeenth century, and particularly by Sir Josiah Child; and after him, Mr. Cary, a merchant of Bristol, who published, in the year 1695, a short and very ingenious essay on the state of England in relation to its trade. The same doctrine is strongly and repeatedly urged by the celebrated John de Witt, in a work entitled, *The True Interests and Maxims of the Republic of Holland and West-Friesland*:—"Next to a liberty of serving God, follows the liberty of gaining a livelihood without any dear-bought city freedom, but only by virtue of a fixed habitation, to have the common right of other inhabitants; which is here very necessary for keeping the people we have, and inviting strangers to come amongst us. For it is evident, that landed men, or others that are wealthy, being forced by any accident to leave their country or habitation, will never choose Holland to dwell in, being so chargeable a place, and where they have so little interest for their money. And for those who are less wealthy, it is well known, that no man from abroad will come to dwell or continue in a country where he shall not be permitted to get an honest maintenance. And it may be easily considered, how great an inconveniency it would be in this country for the inhabitants, especially strangers, if they should have no freedom of choosing and practising such honest means of livelihood as they think best for their sub-

sistence; or if, when they had chosen a trade, and could not live by it, they might not choose another. This, then, being evident, that strangers without freedom of earning their bread, and seeking a livelihood, cannot live amongst us; and as it is certain, that our Manufactories, Fisheries, Traffic, and Navigation, with those that depend upon them, cannot, without continual supplies of foreign inhabitants, be preserved here, and much less, augmented or improved; it is likewise certain, that among the endless advantages which accrue to Holland by strangers, and which might accrue more, our boors may be be likewise profited. For we see, that for want of strangers in the country, the boors must give such great yearly and day-wages to their servants, that they can scarcely live, but with great toil, themselves, and their servants live rather in too great plenty. The same inconveniences we are likewise sensible of in cities, amongst tradesmen and servants, who are here more chargeable and burdensome, and yet less serviceable than in any other countries. . . . Therefore, it is necessary that all strangers that are masters, journeymen, consumptioners, merchants, traders, &c., should live peaceably amongst us, without any disturbance, let, or molestation whatever, and use their own estates and trades as they shall judge best."*

Nothing, however, in any of these writers, is more explicit or more enlightened than the language of the common law of England on this subject. As early as the reign of Henry the Sixth, Lord Chief-Justice Fortescue, who was a zealous friend, too, of prerogative, declares, in his book *De Laudibus Legum Angliæ*, cap. xxxvi., that "it is lawful for any man to trade and store himself with any wares and merchandise at his own pleasure, and that every inhabitant of England by law enjoyeth all the fruits of his land, with all the profits he gaineth by his own labour." Such, also, is very nearly the language of a statute of James the First, formerly referred to, by which it is expressly enacted, "that all commissions, grants, licenses, charters and letters patent heretofore made or granted, or hereafter to be made or granted, to any person or persons, bodies politic

* [Part I. chap. xv. p. 66, *seq.* Ed. Lond. 1702.]

or corporate whatsoever, of, or for the sole buying, selling, making, working, or using of anything within this realm; . . . and all proclamations, inhibitions, restraints, warrants of assistants, and all other matters and things whatsoever, any way tending to the instituting, erecting, strengthening, furthering, or countenancing of the same, or any of them, are altogether contrary to the laws of this realm, and so are, and shall be utterly void and of none effect, and in no wise to be put in use or execution." The following passage I quote *verbatim* from a petition presented to the House of Commons in 1691, relative to the East India trade, on behalf of *divers Merchants and Traders in and about the City of London, and other their Majesties' Subjects.* "The trade to the East Indies is of very great importance to this nation; and yet, by the manifold abuses of the present East India Company both at home and abroad, (who have managed the same for their private gain, without any regard to the public good,) the trade is likely to be utterly lost to this kingdom, and to fall into the hands of foreigners, unless timely prevented by some better regulation thereof, on a new joint-stock and constitution." The petitioners further pray, "that the House will take into consideration the establishing of a new East India Company, in such manner, and with such powers and limitations, as to them shall be thought most conducing to the preservation of so beneficial a trade to the kingdom." One great objection urged by the favourers of the Company against the freedom of trade is, that "it will not only cause the said trade to suffer much, but other European nations will make great advantage thereof, to the hazard, if not the ruin, of the English commerce to those parts."

In this manner, then, the policy of Europe, by the privileges of corporations, by apprenticeships, exclusive companies, and other regulations favouring monopolies, restrains the competition in some employments of stock and labour to a smaller number than would otherwise be disposed to enter into them.

"*Secondly*, In some other cases, it tends to increase the competition beyond the natural proportion."* Of these, obvious

* [*Wealth of Nations*, Book I. chap. x.; Vol. I. p. 202, tenth edit.—See above, p. 12.]

examples are found in the institutions of bursaries, scholarships, &c. On this article, however, it is unnecessary to enlarge, as the inconveniences which they produce to individuals are amply compensated by the public benefit which attends them.

"*Thirdly*, The policy of Europe, by obstructing the free circulation of labour and stock both from employment to employment, and from place to place, occasions in some cases a very inconvenient inequality in the whole of the advantages and disadvantages of their different employments.

"The statute of apprenticeship obstructs the free circulation of labour from one employment to another, even in the same place. The exclusive privileges of corporations obstruct it from one place to another, even in the same employment.

"It frequently happens, that while high wages are given to the workmen in one manufacture, those in another are obliged to content themselves with bare subsistence. The one is in an advancing state, and has, therefore, a continued demand for new hands; the other is in a declining state, and the superabundance of hands is continually increasing. Those two manufactures may sometimes be in the same town, and sometimes in the same neighbourhood, without being able to lend the least assistance to one another. The statute of apprenticeship may oppose it in the one case, and both that and an exclusive corporation in the other. In many different manufactures, however, the operations are so much alike, that the workmen could easily change trades with one another, if those absurd laws did not hinder them. . . .

"The obstruction which corporation laws give to the free circulation of labour, is common, I believe, to every part of Europe. That which is given to it by the poor-laws is, so far as I know, peculiar to England. It consists in the difficulty which a poor man has in obtaining a settlement, or even in being allowed to exercise his industry in any parish but that to which he belongs. It is the labour of artificers and manufactures only of which the free circulation is obstructed by corporation laws. The difficulty of obtaining settlements obstructs even that of common labour."* But I shall delay entering on the consideration of the

* [Ibid. pp. 209-212.]

English poor-laws, till we have taken a view of the different systems which have been proposed for the maintenance of the poor.

So much with respect to the policy of restraints on domestic commerce and industry.

[SUBSECT. II.—*Of Restraints on the Commercial Intercourse of Different Nations.*]

I shall now proceed to consider the restraints which affect the commercial intercourse of different nations. The system of regulations, which we are to examine under that head, is distinguished by Mr. Smith by the title of the Commercial or Mercantile system of Political Economy. This last phrase, as before hinted, is used by him in a very restricted sense. Its objects, he tells us, are the two following:—"1*st*, To provide a plentiful revenue or subsistence for the people, or more properly, to enable them to provide such a revenue or subsistence for themselves; and, 2*dly*, To supply the state or commonwealth with a revenue sufficient for the public services."* According to the definition which I formerly gave of Political Economy,† it applies to all the different objects of law and political regulation, among which, undoubtedly, the principles which regulate the systems of agricultural or commercial policy occupy a very distinguished place. I mention this circumstance, that I may not be supposed, by adopting the language of Mr. Smith, to have lost sight of the explanation given in my *Introductory Lectures* of the province of Political Economy.

In stating the argument for a free trade with other countries, I shall aim at nothing more than a very succinct abridgment of Mr. Smith's doctrines on this subject; a general knowledge of which I must necessarily presuppose in my hearers, when I proceed to the discussion of some of the questions connected with these inquiries. While this outline may facilitate the studies of those who have not yet perused that invaluable work, it will, I hope, be not altogether useless to others, as containing a recapitulation of some of the more important doctrines which it explains.

* [Ibid. Book IV. *Introduction;* Vol. II. p. 138, tenth edition.]

† [*Supra, Political Economy,* Vol. I. p. 9, *seq.*]

The great principle of the Mercantile system is, that money constitutes the wealth of a nation, or in other words, that a nation is rich or poor in proportion to the plenty or scarcity of the precious metals.

(Here Mr. Stewart introduced an abridged view of the first eight chapters of the fourth book of the *Wealth of Nations*,*

* [The abstract here alluded to by Mr. Bridges, as given in the notes taken by Mr. Bonar, is as follows:—"It was for a long time the opinion of statesmen, that as the wealth of an individual consists in the quantity of money which he possesses, or can command, and that as the more this is increased, the more is his wealth augmented, so the same thing must hold true of a nation; and, therefore, that the more gold and silver which can be accumulated in a nation, the more will its opulence and prosperity be increased. Hence one great object of government was, by means of laws and regulations, to prevent the exportation of gold and silver out of a country, and to draw into the country as much specie as possible. Experience, however, at last proved that all such attempts were unavailing; that where a superfluity of gold and silver was accumulated in a country, no laws or regulations could prevent its being sent abroad for the purchase of commodities. This is clearly proved in the case of Spain and Portugal, where all their sanguinary laws against carrying gold and silver out of the country have never prevented their exportation, as they come into these countries in greater abundance than their own necessities require. It has been computed that the Lisbon packet brings over to Britain on an average no less than £50,000 worth of gold and silver weekly. This may not be accurate, but there can be no doubt that all the laws and regulations that were made, never had the effect of detaining in the country the superfluous gold and silver that could not be made use of if it remained.

"Governments finding it impossible to restrain by force the exportation of gold and silver from a country, came next to turn their attention to what was termed the *balance of trade*. It was thought, that according to the value which these commodities imported by a nation bear to the commodities exported by it, as greater or less, so would the prosperity of the country rise or fall. If it was found that the value of the goods sent out was greater than that of those imported, then it was of course reckoned that the country was in a prosperous state,—but if it was otherwise, the country was deemed to be declining.

"For the ascertaining of the value of the commodities sent out and received, two methods were had recourse to, one was the Custom House books, the other the Rate of Exchange."

(After referring to Mr. Macpherson's views given in the text on the Custom House entries as testing a nation's prosperity, Mr. Bonar proceeds:)—"The other criterion resorted to for this purpose,—the Rate of Exchange, though perhaps not quite so fallacious, yet is by no means a certain test. Many circumstances often occasion a rise or fall in the course of the Exchange, independent of the amount of goods actually exported and imported.

"Notwithstanding the fallacy of the modes of ascertaining the proportional value of commodities exported and imported, still the balance of trade, as it has been called, has been constantly the object of solicitous attention to governments. With a view to guard against what is supposed an unfavourable bal-

with the following additions. After stating Mr. Smith's reasonings with regard to the Navigation Act, he added:)—

On the same principle have been founded some late reasonings,

ance, it has been the aim of legislators, by laws and regulations, to restrain commerce with foreign nations, in such a manner as they thought most likely to prevent the consequence so much dreaded. This has been attempted chiefly in two ways:—the imposition of heavy duties, or even the total prohibition of importing the commodities of another nation,—and the granting of bounties and other encouragements to the exportation of native commodities. 'These restraints upon importation, and encouragements to exportation, constitute,' as Mr. Smith remarks, 'the principal means by which the Commercial System proposes to increase the quantity of gold and silver in any country, by turning the balances of trade in its favour.'*

"Against this system Mr. Smith argues in the following satisfactory and conclusive manner:—

"'By restraining either by high duties or by absolute prohibitions, the importation of such goods from foreign countries as can be produced at home, the monopoly of the home market is more or less secured to the domestic industry employed in producing them. . . . That this monopoly of the home market frequently gives great encouragement to that particular species of industry which enjoys it, and frequently turns toward that employment a greater share of both the labour and stock of the society, than would otherwise have gone to it, cannot be doubted. But whether it tends either to increase the general industry of the society, or to give it the most advantageous direction, is not perhaps altogether so evident. . . . No regulation of commerce can increase the quantity of industry in any society, beyond what its capital can maintain. It can only divert a part of it into a direction into which it might not otherwise have gone; and it is by no means certain that this artificial direction is likely to be more advantageous to the society than that into which it would have gone of its own accord. Every individual is continually exerting himself to find out the most advantageous employment for whatever capital he can command.'†

"'As every individual endeavours as much as he can, both to employ his capital in the support of domestic industry, and so to direct that industry that its produce may be of the greatest value, every individual therefore labours to render the annual revenue of the society as great as he can. He generally indeed neither intends to promote the public interest, nor knows how much he is promoting it. . . . He intends only his own gain; and he is in this, as in many other cases, led by an invisible hand to promote an end which was no part of his intention. Nor is it the worse for the society that it was no part of it. By pursuing his own interest, he frequently promotes that of the society more effectually than when he really intends to promote it. . . .

"'What is the species of domestic industry which his capital can employ, and of which the produce is likely to be of the greatest value, every individual, it is evident, can, in his local situation, judge much better than any statesman or lawgiver can do for him. The statesman who should attempt to direct private people in what manner they ought to employ their capitals, would not only load himself with a most unnecessary attention, but assume an authority which

* [*Wealth of Nations*, Book IV. chap. i.; Vol. II. p. 175, tenth edition.]

† [Ibid. chap. ii. p. 176, *seq.*]

which are not altogether destitute of plausibility, but which, on examination, will be found extremely unsound, in favour of the active interposition of Government to produce an increased

could safely be trusted, not only to no single person, but to no council or senate whatever, and which would nowhere be so dangerous as in the hands of a man who had folly and presumption enough to fancy himself fit to exercise it.

"'To give the monopoly of the home market to the produce of domestic industry, in any particular art or manufacture, is in some measure to direct private people in what manner they ought to employ their capitals, and must, in almost all cases, be either a useless or a hurtful regulation. If the produce of domestic can be brought there as cheap as that of foreign industry, the regulation is evidently useless. If it cannot, it must generally be hurtful. It is the maxim of every prudent master of a family, never to attempt to make at home what it will cost him more to make than to buy. The tailor does not attempt to make his own shoes, but buys them of the shoemaker. The shoemaker does not attempt to make his own clothes, but employs a tailor. The farmer attempts to make neither the one nor the other, but employs those different artificers. All of them find it for their interest to employ their whole industry in a way in which they have some advantage over their neighbours, and to purchase with a part of its produce, or what is the same thing, with the price of a part of it, whatever else they have occasion for.

"'What is prudence in the conduct of every private family, can scarce be folly in that of a great kingdom. If a foreign country can supply us with a commodity cheaper than we ourselves can make it, better buy it of them with some part of the produce of our own industry employed in a way in which we have some advantage. The general industry of the country being always in proportion to the capital which employs it, will not thereby be diminished, no more than that of the above mentioned artificers', but only left to find out the way in which it can be employed with the greatest advantage. It is certainly not employed to the greatest advantage when it is thus directed towards an object which it can buy cheaper than it can make. The value of its annual produce is certainly more or less diminished when it is thus turned away from producing commodities evidently of more value than the commodity which it is directed to produce: according to the supposition, that commodity could be purchased from foreign countries cheaper than it can be made at home. It could therefore have been purchased with a part only of the commodities, or what is the same thing, with a part only of the price of the commodities, which the industry employed by an equal capital would naturally have produced at home. . . .

"'By means of such regulations, indeed, a particular manufacture may sometimes be acquired sooner than it could have been otherwise, and after a certain time may be made at home as cheap or cheaper than in the foreign country. But it will by no means follow that the sum total either of its industry or of its revenue can ever be augmented by any such regulation. . . . Though for want of such regulations the society should never acquire the proposed manufacture, it would not upon that account necessarily be the poorer in any one period of its duration. Its whole capital and industry might still have been employed, though upon different objects, in the manner the most advantageous at the time. . . .

plantation of English oaks, in order to render the regular supply of timber for his Majesty's dock-yards independent of the accidents of commerce and war. On these reasonings, I pro-

"'The natural advantages which one country has over another in producing particular commodities, are sometimes so great, that it is acknowledged by all the world to be in vain to struggle with them. By means of glasses, hot-beds, and hot walls, very good grapes can be raised in Scotland; and very good wine too can be made of them at about thirty times the expense for which at least equally good can be brought from foreign countries. Would it be a reasonable law to prohibit the importation of all foreign wines, merely to encourage the making of Claret and Burgundy in Scotland? But if there would be a manifest absurdity in turning towards any employment, thirty times more of the capital and industry of the country, than would be necessary to purchase from foreign countries an equal quantity of the commodities wanted, there must be an absurdity, though not altogether so glaring, yet exactly of the same kind, in turning towards any such employment a thirtieth, or even a three hundredth part more of either.'*

"The reasoning through all this passage appears to me clear and satisfactory; and from the whole it is plain, and may be assumed as certain truth, that the system of forcing, by restraints upon foreign commodities, a part of the capital of a nation from its natural direction, instead of being beneficial, must be highly prejudicial.

"One exception only is made by Mr. Smith, that is, 'when some particular sort of industry is necessary for the defence of the country. The defence of Great Britain, for example, depends very much upon the number of its sailors and shipping. The Act of Navigation, therefore, very properly endeavours to give the sailors and shipping of Great Britain the monopoly of the trade of their own country, in some cases, by absolute prohibitions, and in others by heavy burdens upon the shipping of foreign countries.'"†

(After Mr. Stewart's remarks on this exception, Mr. Bonar continues:)—"Besides the restraining, or totally prohibiting the importation of certain species of commodities for the encouragement of domestic production, the Commercial System has devised another expedient for the purpose of preventing what has been supposed the unfavourable balance of trade; that is, the granting extraordinary encouragements to the exportation of commodities by the means of *drawbacks* and *bounties*.

"'Of these,' Mr. Smith justly remarks, 'drawbacks seem to be the most reasonable. To allow the merchant to draw back upon exportation either the whole, or a part of whatever excise or inland duty is imposed upon domestic industry, can never occasion the exportation of a greater quantity of goods than what would have been exported had no duty been imposed. Such encouragements do not tend to turn towards any particular employment a greater share of the capital of the country, than what would go to that employment of its own accord, but only to hinder the duty from driving away any part of that share to other employments. . . .

"'The same thing may be said of the drawbacks upon the re-exportation of foreign goods imported.'‡

"The case, however, is different in

* [Ibid. pp. 181-185.] † [Ibid. p. 192]. ‡ [Ibid. p. 252, *seq.*]

pose to offer some particular strictures afterwards. But I shall first finish the general outline of Mr. Smith's view of the Mercantile system, before proceeding to this.

(After stating the disposition which this country has always manifested to depress the commerce of France, Mr. Stewart observed:)—

The impolicy of these regulations was distinctly declared in the late commercial treaty entered into with that country. The influence, I may observe, which the writings of Mr. Smith are allowed to have had on our national conduct, in this and some other instances, affords a memorable example of the triumph of philosophy over the dictates of prejudice, and leads us to indulge a hope, that in an age of free and unrestrained discussion like the present, principles founded on truth and justice will gradually supplant the errors of ignorance.

(After stating the nature of the evidence which the custom-

respect to bounties. These are expressly given 'to enable merchants and manufacturers to sell their goods as cheap or cheaper than their rivals in the foreign market. . . . We cannot, it is said, force foreigners to buy our goods; the next best expedient, therefore, it has been thought, is to pay them for buying. It is in this manner that the mercantile system proposes to enrich the whole country. Bounties, it is allowed, ought to be given to those branches of trade only which cannot be carried on without them. But every branch of trade in which the merchant can sell his goods for a price which replaces to him, with the ordinary profits of stock, the whole capital employed in preparing and sending them to market, can be carried on without a bounty. . . . These trades only require bounties in which the merchant is obliged to sell his goods for a price which does not replace to him his capital together with the ordinary profit, or in which he is obliged to sell them for less than it really costs him to send them to market. The bounty is given in order to make up this loss, and to encourage him to continue, perhaps to begin a trade of which the expense is supposed to be greater than the returns, of which every operation eats up a part of the capital employed in it, and which is of such a nature, that if all other trades resembled it, there would soon be no capital left in the country. . . . If the bounty did not repay to the merchant what he would otherwise lose upon the price of his goods, his own interest would soon oblige him to employ his stock in another way, or to find out a trade in which the price of the goods would replace with the ordinary profit the capital employed in sending them to market. The effect of bounties, like that of all the other expedients of the mercantile system, can only be to force the trade of a country into a channel much less advantageous than that in which it would naturally run of its own accord.'"] *

* [Ibid. pp. 261-263.]

house books afford of the balance of trade, Mr. Stewart observed:)—

As Mr. Smith has not entered into any details, with regard to the nature of the objection to the evidence of the custom-house books in this respect, taking their fallaciousness for granted as a thing too well understood to require any particular illustration, it may not be improper to supply this elementary article of information, by a short statement of the particular facts and principles on which the doctrine may be justified. This is the more necessary, as the complicated commercial accounts of nations have been usually stated like the simple transactions of private merchants; and the technical business-like appearance of accuracy which the results exhibit, are apt to procure to them a degree of popular credit to which they have in truth no claim, and which is daily employed to mislead the public mind, by writers who, at the time, are fully aware of their general incorrectness. In illustration of this subject, I gladly avail myself of some judicious remarks of Mr. Macpherson. "It has been customary," says that very laborious and accurate writer, "to consider our trade with those countries, from which we import a greater value than we export to them, as unprofitable; and that to those, to which our exports exceed the value of our imports, as profitable. But such a rule is liable to a great number of exceptions. The apparent balance must be frequently erroneous from the inaccuracy of the valuation. For example, the Irish linens are all rated in the custom-house entries in England at eightpence a yard on an average, whereas one shilling and fourpence a yard, the average price assumed in the Irish custom-house books, is rather under the value. As linens generally constitute above a half of the value of the imports from Ireland to England and Scotland, the error in the value of that one article turns the balance of trade with Ireland against Great Britain; (See Lord Sheffield's *Observations on the Manufactures, &c., of Ireland*, p. 276, third edition, 1785;) and the valuations in many other branches of our commerce are not a whit more accurate. Money brought into Great Britain is not subject to entry, and

therefore does not appear in the custom-house books, any more than bills of exchange. Money carried out swells the amount of export entries, and consequently enlarges the supposed general profit; though, according to the doctrine that gold and silver are the only standard of wealth, such exportation is so much clear loss to the nation. Great quantities of goods, subject to high duties, totally prohibited, or shipped for exportation upon bounties or drawbacks, are clandestinely imported. Such importations, though not appearing in the general account, there is reason to believe, have considerable influence on the exchange with some neighbouring countries. And such of those smuggled goods as have been *entered* for exportation, perhaps over and over again, thus make great additions to the fallacious estimate of the profitable balance, without ever being, in reality, exported at all for foreign consumption. All goods exported for the use of our armies abroad, are part of the national expenditure, and can no more constitute a real part of the profitable balance, apparently swelled by their exportation, than the goods taken from his stock by a manufacturer or shopkeeper for his own use, can be stated as enlarging his profitable sales. Cargoes entered outward, which are lost at sea, or taken by the enemy, swell the amount of exports, and, consequently, of supposed profit, whereas, in fact, they are a dead loss to the nation, (and, in case of capture, tend to enrich the enemy, by whom they are in reality exported;) while the want of the homeward cargo, which should have been imported in return, and which, to the individual sufferer, is not only a real loss but a heavy disappointment and derangement of his plans of trade, tends to enlarge the supposed balance of trade in our favour. And the loss or capture of homeward-bound ships in the same manner, by diminishing the amount of entered imports, fallaciously adds to the apparent favourable balance.

" On the other hand, there are branches of trade which would be ruinous if the imports did not exceed the exports, or, in other words, if the balance were not *unfavourable*, according to this standard of estimation. Such is the trade with all our West India settlements, which have been formed and supported by

British capitals, and, in a great measure, owned by proprietors residing in Great Britain. Therefore, the outward cargoes are to be considered as the stock employed in the culture of the plantations; and the homeward cargoes are, in fact, the proceeds of that culture, the excess of which is not a loss to the nation, but the real amount of the net profits coming into the pockets of the proprietors, and giving a very comfortable demonstration how much the amount of the product is more than the prime cost. In other words, the outward cargoes are the *seed*, and the inward cargoes are the *harvest*. . . . The same reasoning will also hold good with the trade to Hudson's Bay, and several others, wherein the excess of the imports is the real profit, and a continuation of *favourable* balances would, in a few years ruin the trade. In some branches of business, the goods exported are merely the charges of trade, as is the case in all fisheries. . . .

"There is another kind of deceptive inference to be drawn from the custom-house entries, if not duly guarded against. It is necessary to advert, that the exports to some countries constitute the prime cost of cargoes to be shipped off from them to a third country. Thus, the wines of Madeira are sent to the British settlements in the East and West Indies, and, even if intended for Britain, are often carried by the circuitous route of those distant regions before they are brought home. The bulk of the cargoes from Africa consists of the miserable natives, who are sold in the West Indies; and the proceeds are generally remitted to great Britain in bills of exchange, which do not appear at all in the custom-house books. And, in like manner, most of the cargoes, carried from Newfoundland and the adjacent countries, consist of fish, which never come to Great Britain, but are sold in Spain, Portugal, and other Roman Catholic countries, and their proceeds also brought home in bills of exchange.

"Were we to estimate the prosperity of a country merely from the balance of trade in the custom-house books, Scotland must be pronounced to be in a ruinous state ever since the American war, the imports from foreign countries being frequently more

than the exports to them, as will appear by the accounts to be found in the subsequent part of this work. But the truth is, that since that event the people of Scotland have paid more attention than formerly to manufactures, which (by land carriage and coasting navigation, neither of which appear in the custom-house books) are carried to every part of Great Britain, and enter to a much greater amount into the exports of London than into those of Glasgow; and that, upon the whole, the trade of Scotland is now more flourishing than ever.

"From what has been said it will appear, that all arguments, calculations, or arrangements, founded upon the supposed balance of trade, are very fallacious; and that those founded upon the balance with any particular country, are generally much more fallacious than those deduced from the general balance of the whole foreign trade of the nation."*

Thus far I have followed the statements of Mr. Macpherson, whose observations appear to me to form a very interesting and instructive comment on that part of Mr. Smith's reply to the Mercantile system, in which he reasons with its advocates on their own fundamental principle. I now proceed to a still more important part of Mr. Smith's argument, in which he endeavours to show that the whole doctrine of the balance of trade is absurd.

It is now a considerable number of years since these liberal principles came to be adopted by all the most enlightened writers of Europe. Mr. Hume was one of the first in this country who stated them in such a form as to attract to them some share of the public favour; and he had undoubtedly the merit of encouraging, by his example, his friend Mr. Smith to devote his profound and comprehensive genius to a systematical illustration of them. His *Political Discourses* were first printed in the year 1752, and, according to himself, were the only part of his works which were successful on the first publication. They have undoubtedly very great merit, and although erroneous in some fundamental maxims, may justly be regarded, on the whole, as one of the most valuable performances of the author.

* [*Annals of Commerce*, &c., 1805, Part III. Vol. iii. pp. 341-344.]

The Essay on the *Jealousy of Trade* concludes with the following very striking reflections:—"Were our narrow and malignant politics to meet with success, we should reduce all our neighbouring nations to the same state of sloth and ignorance that prevails in Morocco and the coast of Barbary. But what would be the consequence? they could send no commodities; they could take none from us; our domestic commerce itself would languish for want of emulation, example, and instruction; and we ourselves should soon fall into the same abject condition to which we had reduced them. I shall therefore venture to acknowledge, that, not only as a man, but as a British subject, I pray for the flourishing commerce of Germany, Spain, Italy, and even France itself. I am at least certain, that Great Britain and all those nations would flourish more did their sovereigns and ministers adopt such enlarged and benevolent sentiments towards each other."*

At the period when this passage first appeared, it was considered as among the most paradoxical and dangerous parts of Mr. Hume's political writings; and yet it assumes nothing more than what a moment's consideration might have taught to any man of a plain and unprejudiced understanding, that a commercial nation has precisely the same interest in the wealth of its neighbours which a tradesman has in the wealth of his customers. It is to the general progress of civilized nations in the arts and improvements of social life, that the prosperity of England is chiefly owing. Nor is it going too far to say, with a late writer, "that not one acre is brought into cultivation in the wilds of Siberia which has not widened the market for English goods." On the other hand, it is no less manifest, that the benefits of this extended commerce are reciprocal; and that while English industry is thus encouraged by the progressive prosperity of its neighbours, it amply repays whatever it receives. It can only be employed in advancing civilisation and enjoyment over the whole earth; and it is actually exerted at this present moment, in consequence of the obstacles presented by the laws of nature to the impotent tricks of govern-

* [*Essays*, Vol. I.]

ment, to revive the industry of those very nations who have been the loudest in their outcries against its progress. If they obtained their wishes for the destruction of English prosperity, this would have no other effect than to reduce those nations themselves, who now ascribe their present depression to its influence, to a state of complete ruin.

The same liberal principles concerning trade, which were advanced by Mr. Hume, were soon after adopted, and very zealously enforced, by Dean Tucker, in various judicious performances; and, particularly, in a small work entitled *Four Tracts on Political and Commercial Subjects*, published in the year 1774. Much about the same time they attracted still more general attention, at least among practical men, in consequence of the sanction which they received from the pen of Dr. Franklin, a writer unrivalled in his own peculiar and characteristical style of composition, but unqualified, it is probable, by the habits of his early education, for that systematical arrangement of principles which we remark in the writings of Mr. Smith; while, however, he is eminently fitted to seize the valuable results of the speculations of others, and to present them in a strong light to the common sense of mankind. I shall only quote one passage from this writer, which I select merely from its more immediate connexion with the doctrines which I have been just stating.—"Perhaps, in general, it would be better if government meddled no farther with trade than to protect it, and let it take its course. Most of the statutes, or acts, edicts, *arrêts*, and placarts of parliaments, princes, and states, for regulating, directing, or restraining of trade, have, we think, been either political blunders, or jobs obtained by artful men for private advantage, under pretence of public good. When Colbert assembled some wise old merchants of France, and desired their advice and opinion how he could best serve and promote commerce, their answer after consultation was, in three words only, *Laissez nous faire*, 'Let us alone.' It is said by a very solid writer of the same nation, that he is well advanced in the science of politics who knows the full force of that maxim, *Pas trop gouverner*, 'Not to

govern too much;'—which, perhaps, would be of more use when applied to trade, than in any other public concern. It were therefore to be wished that commerce was as free between all the nations of the world, as it is between the several counties of England; so would all, by mutual communication, obtain more enjoyments. These counties do not ruin one another by trade, neither would the nations. No nation was ever ruined by trade, even seemingly the most disadvantageous."*

It would require more time than we can now afford to bestow, to trace historically the origin and progress of those liberal and enlightened ideas which abound in Mr. Smith's writings. I shall content myself, therefore, with remarking, that although it was by some French writers that they were first presented to the world in a systematical manner, yet the earliest hints of them seem to have been suggested in this country. I shall, perhaps, have an opportunity of producing some additional proofs of this statement afterwards. In the meantime, I shall only quote some remarks from a pamphlet on Money, published in the year 1734, [by Jacob Vanderlint:]—"All nations have some commodities peculiar to them, which, therefore, are undoubtedly designed to be the foundation of commerce between the several nations, and produce a great deal of maritime employment for mankind, which probably, without such peculiarities, could not be; and in this respect, I suppose, we are distinguished, as well as other nations; and I have before taken notice, that if one nation be by nature more distinguished in this respect than another, as they will, by that means, gain more money than such other nations, so the prices of all their commodities and labour will be higher in such proportion, and consequently, they will not be richer or more powerful for having more money than their neighbours.

"But, if we import any kind of goods cheaper than we can now raise them, which otherwise might be as well raised at home, in this case, undoubtedly, we ought to attempt to raise such commodities, and thereby furnish so many new branches of employment and trade for our own people, and remove the

* [*Principles of Trade*, sect. 38; *Works*, by Sparks, Vol. II. p. 401.]

inconvenience of receiving any goods from abroad, which we can anywise raise on as good terms ourselves; and, as this should be done to prevent every nation from finding their account with us by any such commodities whatsoever, so this would more effectually shut out all such foreign goods than any law can do.

"And as this is all the prohibitions and restraints whereby any foreign trade should be obstructed, so, if this method were observed, our gentry would find themselves the richer, notwithstanding their consumption of such other foreign goods as, being the peculiarities of other nations, we may be obliged to import. For if, when we have thus raised all we can at home, the goods we import after this is done cheaper than we can raise such goods ourselves, (which they must be, otherwise we shall not import them,) it is plain the consumption of any such goods cannot occasion so great an expense as they would, if we could shut them out by an act of parliament, in order to raise them ourselves.

"From hence, therefore, it must appear, that it is impossible anybody should be poorer for using any foreign goods at cheaper rates than we can raise them ourselves, after we have done all we possibly can to raise such goods as cheap as we import them, and find we cannot do it; nay, this very circumstance makes all such goods come under the character of the *peculiarities* of those countries which are able to raise any such goods cheaper than we can do, for they will necessarily operate as such."*

The same author, in another part of his work, states a maxim of Erasmus Philips, which he calls a *glorious one;* that "a trading nation should be an open warehouse, where the merchant may buy what he pleases, and sell what he can. Whatever is brought to you, if you don't want it you won't purchase it, and if you do want it, the largeness of the impost won't keep it from you."†

In this quotation, an argument for a free commerce all over

* [*Money Answers all Things*, &c., pp. 97-99.—See below, Vol. X. p. 89.]

† [Ibid. p. 45.]

the globe, is founded on the same principles on which Mr. Smith has demonstrated the beneficial effects of the division of labour among the members of the same community. The happiness of the whole race would, in fact, be promoted by the former arrangement in a manner exactly analogous to that by which the comforts of a particular nation are advanced by the latter. A general division of labour would thus take place among the different tribes of men, prompting each to cultivate to the utmost whatever productions the nature of its situation pointed out as the most profitable. The consequence would be, an augmentation, on the whole, of the productive powers of human industry, and a proportional enlargement of the means of individual enjoyment.

Though, however, these liberal and enlightened ideas concerning trade had long ago occurred to various writers of eminence, both in this country and on the Continent of Europe, it is only of late years, and particularly since the publication of the *Wealth of Nations*, that they have obtained a complete triumph, in the judgment of all candid and well-informed men, over the selfish but deep-rooted prejudices of the ancient system.

Attempts, indeed, are still occasionally made to mislead the multitude on various particular questions connected with the general principles of freedom, but by not one writer of respectable talents and character, who has appeared since the time of Mr. Smith. On the contrary, all over Europe, the uniformity of opinion on this fundamental doctrine of Political Economy becomes every day more and more prevalent, even among those who differ most widely on other branches of the science. In England, in particular, the most honourable testimony to the soundness of Mr. Smith's speculative principles, has been repeatedly borne by the leaders of the two great parties which have so long divided the nation, and they have not been altogether without some practical influence on the measures of our government. In what light the same system is now viewed by those politicians abroad, who are the most friendly to the interests of this country, may be collected from the work of

Mr. Gentz, *On the State of Europe before and after the French Revolution*,—an author certainly entitled to a high rank among the speculative statesmen of the present day, and who has drawn on himself no small share of odium from his countrymen for his supposed partiality to the public measures of Great Britain since the fall of the French monarchy.

"Le véritable intérêt de l'Europe prise en masse demande toujours le plus grand développement possible des forces et des facultés de chacune des nations qui en font partie. Si la Russie et le Portugal emploient des capitaux et des ouvriers Anglais pour vivifier leurs fabriques intérieures, une circonstance si peu naturelle suppose un vice quelconque dans le système de leur industrie ou même une organisation entièrement défectueuse si ces défauts pouvaient disparaître, non seulement les nations qui y sont immédiatement intéressées y trouveraient leur avantage, mais encore en vertue de l'enchaînement général qui lie toutes les forces productives de l'Europe entr'elles, cet avantage réjaillirait sur toutes les autres nations.

"Mais tant que cette amélioration radicale n'aura pas lieu, il est évidemment et incontestablement avantageux, non seulement pour les pays qui ont besoin de travail et de capitaux étrangers, mais même pour le système général de l'industrie Européenne, que les forces et les moyens de l'Angleterre suppléent à ce que manque ailleurs. Le mal ne serait-il pas infiniment plus grave, si ces champs de l'activité humaine, que cultivent et fécondent aujourdhui le travail et les capitaux Anglais, demeuraient entièrement sans culture? Ce mal là serait absolu, celui-ci n'est que relatif; celui-ci n'est un mal qu'en tant qu'il en suppose d'autres plus réels; à tout autre égard il est un bien."*

In another passage of the same book, he avails himself of the same doctrine, in replying to the systematical and accredited attempts which have been made of late years, by various French writers, to hold up to the general indignation of the world the commercial and maritime greatness of this country.

"Il est de l'intérêt bien entendu de l'Europe que toutes les

* [*De l'Etat de l'Europe*, &c., Partie III. chap. iv. p. 338, *seq.*, orig. edit.]

parties qui la composent, que tous les Etats cultivateurs, manufacturiers ou commerçans parviennent au plus haut degré de prospérité possible. Il est donc, et il sera dans toutes les circonstances, de l'intérêt bien entendu de l'Europe, que chaque nation participe à la richesse générale de l'univers, et par conséquent aussi aux possessions coloniales et au commerce des deux Indes, autant, et s'il se peut, ni plus, ni moins, que le demandent sa situation particulière, les besoins de son industrie, ses dispositions, ses facultés, et le développement le plus complet de toutes ses forces productives.

"Sous ce point de vue élevé, ce sera toujours le vœu non seulement de l'ami de l'humanité qui s'intéresse au bien de tous les peuples, mais encore de l'homme d'état éclairé, qui connaît l'enchaînement des lois qui forment l'économie générale de l'univers, qu'à la fin de la guerre actuelle, toute nation propre au commerce maritime rentre en jouissance de sa juste mesure de domination, de commerce et d'industrie coloniale. Mais qu'on se garde bien de confondre ce point de vue élevé, avec celui non moins faux que retréci, qui sert de base aux plaintes qu'on entend s'élever de toute part contre la supériorité commerciale des Anglais. Le premier est entièrement étranger aux auteurs de ces plaintes. S'il avait pu être saisi, s'il avait pu être seulement soupçonné par la multitude, il y a longtemps que les déclamations contre l'Angleterre auraient cessé de se faire entendre."*

Of these attempts, that which has excited the most general attention is an anonymous tract published at Paris in the latter part of the year 1800, under the title of *L'Etat de la France à la fin de l'an VIII.* The reputed author of this publication is M. Hauterive. In opposition to his reasonings M. Gentz endeavours to show, with great force of argument, that there is gradually established, in the progress of commerce, a reciprocity of interests among nations as well as among individuals; that the commercial greatness of England is, in reality, an active principle of the industry, and a fruitful source of the present and future riches of all nations; that the only method

* [Ibid. p. 329, *seq.*, orig. edit.]

of diminishing that greatness, which is either just or expedient, is to promote and encourage the same activity in other countries; and that the project of destroying by violence the foundations of Britain's prosperity, must ultimately prove its authors to be enemies to the general welfare of Europe.

The following remarks, which form part of M. Gentz's disquisitions on this article, may convey a general idea of the spirit which animates this very able performance, and may furnish no unsuitable appendix to the faint outline which I have endeavoured to give of Mr. Smith's doctrines with regard to the freedom of trade:—

"Une amélioration dans *l'administration intérieure* de tous les Etats, une législation sage et libérale, plus d'attention à veiller aux intérêts du commerce et de l'industrie, à approfondir les sources de la véritable prosperité des nations. Toutes ces propositions, tous ces plans d'une réforme fondamentale dans le système économique de l'Europe, sont sûrs d'obtenir le suffrage de tous les gens éclairés comme de tous les amis du bien. Béni soit le gouvernement qui les embrassera dans toute leur étendue! et grâces soient rendus à l'écrivain qui aurait reçu assez de force et d'éloquence en partage, pour arracher à leur assoupissement ceux qui jusqu'ici ont manqué ou de sens pour les comprendre, ou de volonté pour les mettre en pratique! C'est avec ces armes, mais avec elles seules que l'Europe doit combattre l'Angleterre! Sans doute que le résultat d'une pareille lutte ne répondra ni aux attentes malicieuses de l'envie, ni aux vœux insensés de la crédule ignorance, d'une politique mercantile mal entendue, d'une cupidité qui se contredit et se détruit elle-même, en courant après des avantages chimériques. La supériorité commerciale des Anglais ne sera pas anéantie par cela que toutes les autres nations de l'Europe s'éleveront à un plus haut degré de perfection. Mais toutes posséderont ce qui leur revient: toutes par un sage et libre emploi de leur activité déployeront les forces qui leur sont propres, dans l'ordre, dans le degré et sous les conditions que la nature et leur position leur ont assignés; toutes seront grandes, toutes seront fortes, toutes seront puissantes, et de leur propre grandeur, et force et

de la grandeur de toutes les autres. L'Europe s'élevera sans que pour cela l'Angleterre s'abaisse, et les hommes clairvoyans de tous les pays auront peine à comprendre comment il put jamais exister un temps, où l'on pensait que la richesse des uns entraînait nécessairement l'appauvrissement des autres."*

In stating the substance of Mr. Smith's argument for the freedom of trade, I took notice of an exception to his general rule, which he himself has admitted, where a particular sort of industry is necessary for the defence of the state. It is upon this ground that he expresses his approbation of the monopoly of the trade with Great Britain, which has been secured to our sailors and shipping by the Act of Navigation. On the same ground, I also observed, that a plea had been lately rested for a relaxation of this abstract principle of Political Economy, in favour of the particular employment of capital and industry, which has for its object the supply of native oak for the purposes of our naval demand ; [*supra*, p. 25, *seq.*,] and I expressed my doubts how far this plea would be found, upon examination, to be tenable. As it is a question which was much agitated some years ago, and is in itself of considerable importance, a few remarks in support of that opinion, which I have already hinted, as most agreeable to my own sentiments, cannot be considered as a digression altogether foreign to our present employment.

The leading positions to which I wish to direct your attention, cannot be better stated than in the words of the Reports drawn up by the Commissioners, some years ago, appointed to inquire into the state of the woods, forests, &c., of the Crown. Of these *Reports*, a series from 1787 to 1793, has been submitted to the Legislature, and certainly contains some very interesting information on the present subject of inquiry. The Commissioners were Sir Charles Middleton, (now Lord Barham,) Mr. Call, and Mr. Fordyce, the first and last of whom are now members of a board established for superintending the civil affairs of the navy, which has resumed the inquiry that had previously been prosecuted by the Commissioners.

The passage which I am first to quote, is from the *Eleventh*

* [Ibid. pp. 348, 349, orig. edit.]

Report; and I do this with great pleasure, as it appears to state one of the strongest cases in which a departure from general principle would seem, on a superficial view, to be not only expedient, but absolutely necessary.—"From the answers we have received from each county," say the Commissioners, "it will be found that there has been, within memory, a great decrease of oak timber, of all sizes, in every part of England; but that great naval timber has decreased more than any other; and timber in hedgerows, which is the most valuable for naval uses, in a still greater proportion than timber growing in woods; that the stock of great timber is now so much, and so generally diminished, in most countries, that they will not be able to continue to furnish so large a supply as they have done of late years; that foreign fir timber is now much more used than formerly, particularly in house building; that the price of underwood has risen, notwithstanding the more general use of coal for fuel; and that in some countries it is not uncommon to fell the oak trees when young, not suffering them to stand so long as to be of use to the navy, for fear of their overshading and destroying the underwood: that notwithstanding the advance in the price of timber, tillage is gradually extended, and the quantity of wood-land lessened; and that the plantations which are now made, are more generally for ornament than use, and of quick growing trees, in preference to oak for the navy."

In a former *Report*, [the *Third*,] the scarcity of great timber had been accounted for on a principle somewhat more general and refined, and which, though the Commissioners, perhaps, lay too great stress upon it, must, I think, be allowed to be not altogether destitute of solidity. After stating it as a fact ascertained by experience, that the addition in the demand for naval timber does not produce a proportional supply, they observe that the reason is obvious. "An oak must grow an hundred years or more before it comes to maturity; but the profits arising from tillage or pasture are more certain and immediate, and perhaps as great; it cannot, therefore, be expected, that many private individuals will lay out money on the expec-

tation of advantages which they themselves can have no chance to enjoy; commerce and industry seek for, and are supported by, speedy returns of gain, however small; and the more generally the commercial spirit shall prevail in this country, the less probability there is that planting of woods for the advantage of posterity will be preferred to the immediate profits of agriculture."

In reply to this observation, a late writer, Sir Frederick Morton Eden, denies completely the general principle, that an article will not be cultivated because it requires a hundred years to bring it to perfection. "Acorns and wheat will, in general, be sown with the same view; namely, that the capital employed in their culture shall be replaced with an adequate profit. It is not necessary, either in trade or agriculture, that the returns should be annual. In many instances, several years must pass away before any return, and that uncertain in amount, can be expected. In the cultivation of underwood and hop-poles, from ten to twenty years must elapse before any crop can be obtained. Many cases of enclosing, draining, and manuring, might be pointed out, in which a still longer period will be necessary to reproduce the capital invested with an adequate profit. If, when timber is twenty years old, the owner finds, that by letting it stand twenty years longer, or, in other words, by re-investing its value in growing timber, he can at the end of the term obtain an adequate profit, he has a sufficient inducement to let his trees grow; and on the same principle, the owner of trees eighty years old will let them stand till they are one hundred years old. But the price of great timber is too low, compared with the price of other home products, to produce cultivation."*

I have seldom met with a more illogical piece of reasoning than what I have just quoted from this very accurate writer. The proposition to be proved is, that an article will not be the less cultivated that it requires a hundred years to bring it to maturity. To prove this, the author remarks, that on the same

* [*Address on the Maritime Rights of Great Britain*, Part III. p. 92, *seq.* second edition.]

principle on which a proprietor who found timber twenty years old on his estate, has a sufficient inducement to let it grow twenty years longer; by the prospect of additional gain at the end of that period, one who has trees of eighty years standing will be disposed to let them remain a hundred. The justness of this observation cannot be disputed; but still the question remains, What inducement has a person to plant acorns at present, the returns arising from which will not be produced for a hundred years? There is, surely, a very distant analogy between this and the sowing of wheat and other grain. Nor can it well be affirmed, that both are done with the same views. On the contrary, I may venture to assert, that, with the exception of a few individuals, whose family pride interests them in the greatness of their children's grandchildren, and, I am afraid, I may add, of the fewer still whose conduct is influenced by remote views of public utility, pecuniary profits, not to be reaped for a century to come, present too faint an object for the imagination to deserve a place among the ordinary motives of human action.

Abstracting altogether, however, from this consideration, I perfectly agree with the author in thinking, that the established price of great timber is too low, compared with that of the other productions of industry, to indemnify a proprietor for the expensive and tedious process of cultivation,—a proposition sufficiently proved by the acknowledged fact, that foreign countries, notwithstanding the high import duties, which almost amount to a premium in favour of the home growers, are enabled to enter into a successful competition with the timber growers of Great Britain. I differ from him only in thinking, that an increase in the price would operate with any influence as an additional motive to the cultivation. The commissioners of the land revenue seem plainly to be of the same opinion with that which I have just stated, from the means they propose to secure the future supply of timber. Their suggestion is, that such parts of the royal domains as would, on an adjustment of the various rights claimed in them, be allotted to the Crown, and which they compute at sixty or seventy thousand acres,

should be enclosed and planted, on the presumption that the land so enclosed would, after one hundred years, produce an annual supply of fifty thousand square loads of timber. The demand for timber for the national and private shipping at present, I may observe, is computed to exceed seventy thousand square loads a year.

The authors of this plan are all too well informed men not to have perceived how widely it deviates from the most indubitable and important principles of Political Economy; and that, in proposing to direct forcibly a proportion of the national capital to the production of an article which can be imported cheaper from abroad, it violates principles, of which Mr. Smith is allowed to have established the wisdom with demonstrative evidence. In recommending, too, a forest system, which would have the effect to continue, for an immense number of years, a large proportion of the land of the country in a comparatively unproductive state, it aims a blow at the agricultural resources of the country, which, according to the general opinion, it ought now to be the leading object of our policy to extend; while the idea of managing this great experimental farm by the officers of the Crown, is reprobated by the experience of all ages and nations, with respect to the administration and improvement of royal domains.

Notwithstanding of these considerations, however, if it could be proved that the plan would be likely to accomplish its object, and still more if it could be established, that no other plan would be equally efficacious for securing the national safety and independence, undoubtedly, these general principles ought to give way, in the mind of every prudent statesmen, to what Mr. Smith himself has accounted an object of higher value. But that the plan is not more unsound in principle, when considered in connexion with the other parts of our political arrangements, than it is nugatory in point of efficiency, even for the accomplishment of its specific object, a moment's attention will satisfy even the most superficial inquirer. On this head, the following observations of Sir Frederick Morton Eden appear to me to be quite decisive:—"Such a plan, it is obvious, is not calculated to

furnish any supply of timber to the navy during the present generation, except so far as it may preserve young trees already planted, and promote their advance to maturity. The Commissioners observe, that although the quantity of timber which has been furnished from all the forests during the present reign has not exceeded two thousand loads a year, square measure, they have no doubt that as soon as a settlement shall have been made with the Commissioners, or other 'effectual means taken for increasing the stock of timber, the annual fall in the forests may be raised to nearly four thousand loads, square measure, and be continued at that rate, without intermission, until the new plantations shall be arrived at maturity.'

"Although, therefore, it should be admitted, that by the arrangement proposed, four thousand square loads would be annually secured from the royal forests for the next hundred years, the demand of the navy, if taken at seventy thousand loads a year, (the supposed present consumption,) or even at fifty thousand loads, (the average annual consumption twenty years ago,) would require, in the first case, sixty-six thousand loads, or more than sixteen times the quantity furnished by the royal forests; and in the latter case, forty-six thousand loads, or nearly twelve times the quantity furnished by the forests to be supplied from private property or commerce. But as the Commissioners very justly conclude, 'that the gradual diminution of the wood and timber in the country is to be expected in any future stage of its improvement,' it is obvious that, for the next hundred years, (even without that increased demand for naval timber, which must as naturally attend the improvement of the country,) the supply from the royal forests being limited, and the supply from private property being gradually diminished, Government must necessarily look to commerce, not only for the motives, but the means, of ship-building; and under these circumstances, it becomes highly important to consider, whether it is not repugnant to the sound principles of Political Economy to adopt a forest system, which will have the effect of continuing sixty thousand or seventy thousand acres of fine land in maritime mortmain,

and of forming an experimental farm of that extent, to be managed by the officers of the Crown; for the immediate object of securing, from the forests, only a twelfth or sixteenth part of the present consumption, and for the remote object of possibly providing, after one hundred years, the whole supply that may then be wanted."*

I have entered into this long discussion, chiefly to have the satisfaction of quoting a very short extract from a note written by the Chairman of the Quarter Sessions of Bury, in the county of Suffolk, in answer to the inquiries of the Commissioners concerning the means of increasing the quantity of timber, and which appears to me to form a very striking contrast to the passages already quoted from their Reports, both in its practical good sense, and in its exact coincidence with the most enlightened views of Political Economy.

"England possessed in the past age a great plenty of oak. Why? Because cultivation was in a barbarous state. It is the improvement of the kingdom, a thousand times more valuable than any timber can ever be, that has wrought the very good and proper diminution of oak; and it is to be hoped the diminution will continue, for if it does not, the improvement of our soil will not advance. While we are forced to feed our people with foreign wheat, and our horses with foreign oats, can raising oak be an object? The average oak of Suffolk of a hundred years growth is worth £5; and let it grow in a hedge, wood, or a field, it has at that age done £10 worth of mischief. There are soils (not in this county) singularly favourable to the growth of oak, and yet yielding not more than eight or ten shillings an acre. On such, oak would pay, but the crop to be timber only, and no cattle ever admitted. But where is the owner who will sow a crop of a hundred years? Vanity does something: it does at present more than it ought to do, by planting soils not of the right sort.

"The scarcity of timber ought never to be regretted, for it is a certain proof of national improvement; and for royal navies, countries yet barbarous are the right and only proper

* [Ibid. pp. 94-96.]

nurseries. Buy oak, as you buy fir to build your houses. There is oak enough within reach of the Adriatic for a million of ships of a hundred guns each. Proposals were made (as I have been informed) to the Administration concerning those woods, as a supply for England, but no ear given, as they had it elsewhere cheaper."—(*End of interpolation from Notes.*)

[SECT. II.]—OF THE CORN TRADE.

In the slight view which I gave, at our last two meetings, of Mr. Smith's reasonings in favour of an unlimited freedom of commerce, I purposely avoided all mention of the *Corn Trade*, as I was anxious to confine myself as much as possible to an illustration of general principles, without entering into the peculiarities of those cases, which, in the opinion of some, require an appropriated system, of regulations. Of this important subject, Mr. Smith has treated very ably in a long digression, which he has introduced in his Chapter on *Bounties*.* It appeared to me, however, to be more consistent with a distinct and systematical arrangement,—*First*, to state the general doctrine; and *afterwards* to consider what limitations of it may be necessary in particular combinations of circumstances. The Corn Trade, besides, being the most important of all the branches of commerce, seemed of too great magnitude to be considered merely as an appendix to a disquisition concerning *one* particular article of the Commercial system; more especially, as it has no peculiar connexion with this article, but what arises from the accidental and local policy of Great Britain. I propose, therefore, to consider this branch of commerce separately; flattering myself that, by this deviation from Mr. Smith's plan, I may indulge myself, without impropriety, in some illustrations which might have been regarded as tedious, if introduced in the course of an incidental or episodical discussion.

The trade of the corn merchant is divided by Mr. Smith into *four* different branches, which, though they may sometimes be

* [*Wealth of Nations*, Book IV. chap. v.; Vol. II. p. 263, *seq.*, tenth edition.]

all carried on by the same person, are in their own nature four separate and distinct trades. These are, *first*, the trade of the inland dealer; *secondly*, that of the merchant importer for home consumption; *thirdly*, that of the merchant exporter of home produce for foreign consumption; and, *fourthly*, that of the merchant carrier, or of the importer of corn for future exportation.

[SUBSECT. I.]—*Of the Inland Corn Trade.*

Of the different branches of the Corn Trade, that which is carried on at home is incomparably the most important. According to the computation of the author of the *Tracts upon the Corn Trade*, [Charles Smith,] founded on a statement of imports and exports, during a long course of years prior to 1765, the proportion of the average quantity of all sorts of grain imported into Great Britain, to that of all sorts of grain consumed, does not exceed that of one to five hundred and seventy.

The average quantity of all sorts of grain exported from Great Britain does not, according to the same author, exceed the one and thirtieth part of the annual produce. Even in the highest year ever known, the year 1750, when the amount of the exports was 1,500,220 quarters, it did not exceed the *seed* one-twelfth part, supposing it one-tenth of the growth.[1]

These proportions, indeed, can by no means be relied on as perfectly accurate; and, in general, as Mr. [Adam] Smith remarks,* little stress ought to be laid on the results of what is commonly called Political Arithmetic. There can, however, be no doubt that the difference in point of extent between the foreign and the home trade in Corn is immense; and the numbers I have quoted may at least serve to convey an idea of the opinion of a very judicious and well-informed writer on the subject.

That in the case of the inland trade of Corn, the accommodation of the *whole* community is most effectually consulted by

[1] Pp. 144, 145. [Edition 1766.]

* [*Wealth of Nations*, Book IV. chap. v.; Vol. II. p. 310, tenth edition.]

permitting an unlimited liberty of transportation, appears from this,—that even in years of the greatest scarcity, the interests of the inland dealer, and of the great body of the people, must be one and the same. The truth of this principle, it must be owned, is not self-evident; on the contrary, it is very strongly opposed by popular prejudices. But this only proves how expedient it is for a wise Government, not only to sanction by law the liberty of this branch of commerce, but to employ the most vigorous measures to render it effectual, by protecting the just rights of individuals against those unenlightened descriptions of men, who, from a partial or mistaken view of their own interests, may be disposed to infringe them.

The interests of the inland dealer (it was just now said) and that of the great body of the people, how opposite, soever, they may at first sight appear, must be at all times, even in years of the greatest scarcity, *exactly the same.* In proof of this, it is sufficient to observe, that the most effectual way in which the dealer can in a year of scarcity serve the public, is by raising the price of his corn *as high* as the real scarcity of the season requires, without raising it *beyond* this limit; and that this is the general principle on which he will act to the best of his knowledge, we have complete security in that prudential regard which we may presume every trader has to his own emolument.

It is abundantly obvious, that in a year of scarcity it is the interest of the people that their daily, weekly, and monthly consumption should be proportioned as exactly as possible to the supply of the season; and for this purpose, what means so simple and infallible as those which the corn dealer naturally employs? "Where the produce of an year," says Mr. Hume, "falls so far short as to afford full subsistence only for nine months, the only expedient for making it last all the twelve, is to raise the prices,—to put the people by that means *on short allowance*,—and oblige them to save their food till a more plentiful season."

By raising the price, accordingly, the corn-dealer discourages the consumption, and puts everybody, more or less, but par-

ticularly the inferior ranks of people, upon plans of economy and good management; while, at the same time, his knowledge of the state of the crop, and of his daily, weekly, and monthly sales, enables him better than any other person to regulate the price according to the circumstances of the country. The conduct which is thus prescribed to him by his own interest, is very happily compared by Mr. Smith to that of the prudent master of a vessel, when, from an apprehension of a want of provisions, he puts his crew on short allowance.* Though, from an excess of caution, this may be sometimes done, both in the one case and the other, without any real necessity, yet the inconveniences which the parties concerned are likely thus to incur, are inconsiderable in comparison of the danger, misery, and ruin to which they might eventually be exposed by a less provident conduct. In the case of the corn-dealer, his own interest acts here as a most powerful check on those exorbitant demands which might be suggested by a more unenlightened avarice;—not only as he will naturally strive to diminish as much as he can that popular odium which is attached to his profession, but as he must be sensible of the hazard of having on his hands a quantity of corn at the end of the season, which he might be obliged to dispose of afterwards at a much greater disadvantage.

Were it possible indeed for one great company of merchants to possess themselves of the whole crop of an extensive country, Mr. Smith acknowledges that it might be their interest to deal with it as the Dutch are said to do with the spiceries of the Moluccas, to destroy or throw away a considerable part of it, in order to keep up the price of the rest. But it is scarce possible, even by the violence of law, to establish such an extensive monopoly with regard to corn; and whenever the law leaves the trade free, it is of all commodities the least liable to be engrossed or monopolized by the force of a few large capitals, which buy up the greater part of it. Not only its value far exceeds what the capitals of a few private men are capable of purchasing; but supposing they were capable of

* [*Wealth of Nations*, Book IV. chap. v.; Vol. II. p. 292, tenth edition.]

purchasing it, the manner in which it is produced renders this purchase altogether impracticable. As in every civilized country it is the commodity of which the annual consumption is the greatest, so a greater quantity of industry is annually employed in producing corn than in producing any other commodity. When it first comes from the ground, too, it is necessarily divided among a greater number of owners than any other commodity; and these owners can never be collected into one place, like a number of independent manufacturers, but are necessarily scattered through all the various corners of the country. These first owners either immediately supply the consumers in their own neighbourhood, or they supply other inland dealers who supply those consumers. The inland dealers in corn, therefore, including both the farmer and the baker, are necessarily more numerous than the dealers in any other commodity, and their dispersed situation renders it altogether impossible for them to enter into a general combination. If, in a year of scarcity, therefore, any of them should find that he had a good deal more corn upon hand than, at the current price he could hope to dispose of before the end of the season, he would never think of keeping up this price to his own loss, and to the sole benefit of his rivals and competitors, but would immediately lower it, in order to get rid of his corn before the new crop began to come in. The same motives, the same interests, which would thus regulate the conduct of any one dealer, would regulate that of every other, and oblige them all to sell their corn at the price, which, according to the best of their judgment, was most suitable to the scarcity or plenty of the season.

With respect to the dearths and the famines which, during the course of the last three centuries, have occasionally afflicted the different countries of Europe, Mr. Smith lays it down as a general proposition, "that a *dearth* never has arisen from any combination among the inland dealers in corn, nor from any other cause but a real scarcity, occasioned sometimes, perhaps, and in some particular places, by the waste of war, but in by far the greater number of cases by the actual failure of the crops in consequence of the badness of the season; and that a

famine has never arisen from any other cause than the violence of Government attempting, by improper means, to remedy the inconveniences of a dearth."*

In an extensive corn country, between all the different parts of which there is a free commerce and communication, the scarcity occasioned by the most unfavourable seasons can hardly ever be so great as to produce a famine; and the scantiest crops, if managed with frugality and economy, will maintain through the year the same number of people that are commonly fed in a more affluent manner by one of moderate plenty. Not only does the weather differ widely, in most instances, in different parts of an extensive territory; but even when it does not, the mischief occasioned by excessive droughts, or excessive rains in lands which are naturally disposed to be too dry or too wet, is always compensated in some degree by the advantage gained in soils of an opposite description. "Lorsque les récoltes manquent en quelque lieu d'un grand Empire, les travaux du reste de ses provinces étant payés d'une heureuse fécondité, suffisent à la consommation de la totalité. Sans sollicitude de la part du gouvernement, sans magazins publics, par le seul effet d'une communication libre et facile on n'y connoit ni disette ni grande cherté."[1] If this remark fails at all, it is in rice countries, where the crop not only requires a very moist soil, but where, in a certain period of its growing, it must be laid under water. It is in such countries, accordingly, that the effects of excessive drought are most severely felt.

When the Government, in order to remedy the inconveniences of a dearth, orders all the dealers to sell their corn at what it supposes a reasonable price, it either hinders them from bringing it to market, which may sometimes produce a famine even in the beginning of the season; or it encourages the people to consume it so fast as must necessarily produce a famine before the end of the season. The only effectual security against these evils is an unlimited liberty of the corn trade; and the only respect in which Goverment is called upon to in-

* [Ibid. p. 295.]

[1] *Théorie de Luxe*, Tom. I. p. 5, quoted by Young in his *France*, p. 482.

terpose its authority, is to maintain and protect this liberty against those assaults to which it is so peculiarly liable from the prejudices and passions of the unenlightened multitude.

In truth, there is no branch of trade whatever which at once deserves so much, and requires so much the protection of law; and there is hardly any of the interpositions of law which demand a greater degree of steadiness and vigour on the part of the magistrate. The general and the permanent interests of the community ought in this, as in all other cases, to be consulted in opposition to the suggestions of a more partial beneficence; and the temporary indignation and odium of the people disregarded, in order to establish a solid claim to their lasting gratitude.

In years of scarcity, those who attend only to the pressure of the present moment, are apt to impute their distress to the avarice of the corn merchant, who becomes, of course, the object of their resentment and hatred, and who is thereby exposed to the danger of having his magazines plundered and destroyed. It is in years of scarcity, however, when prices are high, that the corn merchant expects to make, and is entitled to make, his principal profit. He is generally in contract with some farmer to furnish him for a certain number of years with a certain quantity of corn at a certain price; a price which will be naturally settled according to the ordinary or average rate of the markets. In years of scarcity, therefore, the corn merchant buys a great portion of his corn for the ordinary price, and sells it for a much higher. That this extraordinary profit, however, is no more than sufficient to put his trade upon a fair level with other trades, and to compensate the many losses which he sustains upon other occasions, both from the perishable nature of the commodity itself, and from the frequent and unforeseen fluctations of its price, seems evident enough from this single circumstance, that great fortunes are as seldom made in this as in any other trade. On the contrary, in this as in the other branches of trade, which form the employment of the speculative merchant, bankruptcies are much more numerous than in those where the supply of the commodity can be

more accurately and uniformly adjusted to the demand. In consequence of this circumstance, added to the effects of popular prejudice, merchants of character and fortune are averse to enter into the Corn Trade, and abandon it to an inferior set of dealers, destitute of a sufficient capital to deserve the credit of the farmers, as well as of that liberality of mind, and those enlarged views of their own interests, which are commonly to be found in men accustomed to the operations of an extensive commerce.

The prejudices which the lower ranks of men are apt to entertain in all countries, against a trade so peculiarly beneficial to themselves, instead of being discountenanced by the wisdom of law, were unfortunately encouraged and strengthened by those narrow maxims of Political Economy which influenced for a course of ages the policy of modern Europe. Of these maxims a leading one was, that the people would buy their corn cheaper of the farmer than of the corn merchant, who, it was supposed, would require over and above the price he paid to the farmer, an exorbitant profit to himself. It was thought expedient, accordingly, to hinder as much as possible, a middleman of any kind from coming in between the grower and the consumer.

Another circumstance too, it is probable, had some influence in dictating this policy. For many years after the Conquest, the greatest part of the inland trade of England was carried on in markets and fairs; all bargains of sale being prohibited excepting in public markets and in boroughs, in order to prevent theft. A very considerable part of the revenues of the Crown arose from the duties payable to the king upon the goods thus brought to sale, and similar duties were enacted by the barons on the goods sold at the fairs within their jurisdictions.[1]

When the farmers and merchants were bringing their corn and other necessaries, to be sold at the markets and fairs, people met them by the way, and purchased their provisions, in order to retail them at a higher price. By this means the

[1] Hume, Vol. II. p. 126.—Dirom, p. 29.

king and the lord of the manor lost the several duties payable to them; while, at the same time, the price was raised upon the inhabitants, by lessening the quantity of provisions brought to market. Such were the original *forestallers*, against whom severe penalties were enacted, as the trade they carried on seemed to be equally prejudicial to the privileges of the great and to the general interests of the community.

In process of time the description of a *forestaller* came to be farther extended to "any person who should buy" any merchandise or victual, coming towards any fair or market, or towards any city, port, creek, or road, of England or Wales, from beyond sea, to be sold; or who should make any bargain for having the same, before the merchandise or victuals should be in the market to be sold; or who should make any motion for enhancing the price; or should move any person coming to the market to forbear to bring the things to be sold."

In the same statute from which these words are quoted, (the 5th and 6th Edward VI.,) the title of *regrator* is applied to "any person who shall by any means regrate, obtain, or get into his possession, in any fair or market, any corn, wine, fish, butter, cheese, &c., that were brought to any market in England or Wales to be sold, and shall sell the same in any fair or markets holden or kept in the same place, or in any other fair or market within four miles thereof." It is added, that "a person who shall engross, or get into his hands by buying, contract, or promise-making, any growing corn in the fields, or any other corn or grain, butter, cheese, fish, or other dead victuals whatever, with intent to sell the same again, shall be holden or reputed an *engrosser*." The penalties for these offences, as might be expected from the spirit of the age, are abundantly severe. "That an *engrosser* (for example) should for the first fault suffer two months' imprisonment, and forfeit the value of the corn; for the second, suffer six months' imprisonment, and forfeit double the value; and for the third, be set in the pillory, suffer imprisonment during the king's pleasure, and forfeit all his goods and chattels."

In Scotland, laws to the same purpose were made against forestallers and regrators; and although the word *engrosser* does not appear in the laws, the description of an engrosser is fully comprehended under that of the forestaller and regrator, In the case of forestalling, the third criminal act infers escheat of moveables, (1592, c. 148.)[1] The ancient policy of most other parts of Europe was similar, in this respect, to that of England and Scotland.

The same principles which led our ancestors to attempt the suppression of the trade of the corn merchant, induced them to impose restraints upon the trade of those whom they called kidders or carriers of corn,—a trade which nobody was allowed to exercise without a license, ascertaining his qualifications as a man of probity and fair dealing. In general, their object plainly was to discourage, as much as possible, any middle-man of any kind from coming in between the grower and the consumer.

On the important advantages arising from such an intervention, more especially from the trade of the extensive corn merchant, I shall have occasion afterwards to offer some observations. In the meantime, it may be worth while to remark, that this trade naturally arose from the improving agriculture of the country, and was a most unequivocal symptom of national prosperity; and that it had plainly been suggested, in part, by the experience of those very calamities which it seemed, on a superficial view, to threaten, and against which it is, in fact, the only effectual remedy. In the earlier ages of English history, the trade of a corn-dealer seems to have been unknown; nor, except in the Abbey Granges, do we meet with instances of corn being collected in large quantities.[2] The natural consequence was, that the farmers without capital disposed of their crops at moderate prices soon after the harvest; purchasers, who only looked to their immediate wants, having corn cheap, were naturally prodigal and improvident in the consumption. The price, therefore, almost invariably rose as the year advanced, and was frequently at an enormous height just before harvest;

[1] Erskine's [*Institutes,*] p. 488.

[2] Eden, *On the Poor*, Vol. I. p. 18.

and before a fresh supply could be obtained, the supply of the preceding year was often entirely exhausted. Stowe informs us, that in 1317, the harvest was all got in before the first of September, and that wheat, which had before been at £4 the quarter, fell to 6s. 8d., a twelfth part of that price. A detail of the prices of grain would furnish us with abundant proof, if proofs were wanting, of the extreme misery of those times, in which the only buyers of grain were the consumers. Five guineas a quarter is a price sufficiently grievous, even at a period when a labourer can earn 18d. a day; but between the Conquest and the accession of Edward the Third, the price of wheat varied from 8d. to £6, 8s. the quarter, to which almost incredible price (being equal to £19, 4s. of our present money,)[1] it rose in 1270, and was attended with a famine. At this period, too, it must be remarked, a man's day's work in harvest was valued at a penny, and out of harvest at a halfpenny. On the other hand, that the conclusion may not be pushed too far, it is necessary to recollect that wheat was not the general bread corn of the peasantry. From a valuation of the moveable property in the borough of Colchester, made in the year 1296, preparatory to levying a subsidy of a seventh, for carrying on the war against France, it appears that among the petty tradesmen and artificers of that period, almost every family was provided with a small store of barley or oats, usually about a quarter or two of each; rye appears to have been very little used, and wheat scarcely at all. This circumstance is the more worthy of our notice, that it has been frequently overlooked by our economical writers, many of whom assume the price of *wheat*, when compared with the wages of labour, as a certain criterion for judging of the condition of the labouring classes at any given period. This, it is evident, can only hold good on the supposition, that this grain is wholly and entirely their ordinary food, which is not the case, even at this day, and was certainly very much otherwise in more early times. From the *Household Book* of Sir Edward Cooke, it appears that in 1596, rye

[1] Smith, Vol. I. p. 277.—[Book I. chap. xi. Vol. I. p. 288, tenth edition.]— See the Table of Prices in the *Wealth of Nations*, [Vol. I. p. 398, *seq.*]

bread and oat-meal formed a considerable portion of the bread of servants even in great families. In 1626, barley bread is stated, in a grant of a monopoly from King Charles, to have been the usual food of the ordinary sort of people.[1] Nay, even so late as the beginning of the present reign, it appears from the supplement to [Charles Smith's] *Three Tracts on the Corn Trade*, [1766.] that above one-third of the nation ate bread made of oats, rye, or barley.* He adds, that "some who have considered the matter with great attention, are inclined to think, that in the year 1764, one-half of the people could not be supposed to feed on wheaten bread."†

Although, however, these considerations shew evidently the inaccuracy of many of our conclusions, founded on the price of wheat compared with the wages of labour, they do not invalidate the inference, formerly stated, [*supra*, p. 57,] of the extreme distress of the lower orders in 1270, and the other bad seasons already referred to. The fluctuations in the price of wheat must necessarily have been accompanied with *corresponding* (although, perhaps, not *proportional*) fluctuations in the prices of oats and barley, and whatever else formed the ordinary food of the people; and these fluctuations were the obvious consequence of the corn trade being entirely in the hands of *farmers*, without the intervention of extensive corn-dealers between the grower and the consumer. The evils arising from this circumstance were no doubt much aggravated by the imperfect police which then existed. "In the disorderly state," says Mr. Smith, "of England under the Plantagenets, who governed it from about the middle of the twelfth till towards the end of the fifteenth century, one district might be in plenty, while another, at no great distance, by having its crops destroyed, either by some accident of the seasons, or by the incursion of some neighbouring baron, might be suffering all the horrors of a famine; and yet, if the lands of some hostile lord were interposed between them, the one might not be able to give the least assistance to the other."[2]

[1] Eden, *On the Poor*, Vol. I. p. 60, *seq.*
* [P. 182, *seq.*]
† [Ibid.]
[2] Vol. I. p. 277, Irish edition.—[Book I. chap. xi.; Vol. I. p. 288, tenth edit.]

These two causes, it is obvious, operated precisely in the same manner, by interrupting that natural course of things which provides in the plenty of one part of the country a relief for the scarcity of another. They are, therefore, equally illustrations of the same general principle.

In these calamitous times, it has been justly remarked, that the return of harvest must have been looked for with hardly less eagerness than that with which the Egyptian farmer is said to watch the overflowing of the Nile; and it has been conjectured, with considerable probability, that the enthusiastic joy with which the rustic feast of Harvest Home was anciently celebrated, arose from the circumstances of those ages, when a late crop or a bad season reduced the wretched cultivator to the extremity of want, and when the successful or unsuccessful management of this critical period decided the alternative of plenty or of famine.

I have been led into these remarks by the consideration of the statute of Edward VI., against *forestallers* and *regrators*,—a statute which was expressly calculated to deprive the country of those resources against dearth and famine which nature has so liberally provided for it, in the variety of its soils and climates, combined with the circumstance of its insular situation.

The rigour of this law was afterwards relaxed by several subsequent statutes, which permitted the engrossing of corn when the price of wheat should not exceed twenty, twenty-four, thirty-two, or forty shillings the quarter. At last, by the 15th of Charles II., the engrossing or buying of corn, in order to sell it again, as long as the price of wheat did not exceed forty-eight shillings the quarter, and that of other grain in proportion, was declared lawful to all persons not being forestallers, that is, not selling again in the same market within three months.

All the freedom which the trade of the inland corn-dealer has ever yet enjoyed, was bestowed on it by this statute; and, in the opinion of Mr. Smith, "it has contributed more (notwithstanding all its imperfections) both to the plentiful supply

of the home markets, and to the increase of tillage, than any other law in the statute-book."*

The statute of the 12th of the present king, which repeals almost all the other ancient laws against engrossers and forestallers, does not repeal the restrictions of this particular statute, which therefore still continue in force. It must also be remembered, that "the engrossing of corn, as well as the engrossing of any other commodity, with intent to sell it at an unreasonable price, (notwithstanding the repeal of *statutes* concerning them by the 12th George III.,) is an offence indictable and fineable at *Common Law;* the penalty for such offences being (as in other minute misdemeanours) discretionary fine and imprisonment."

That the restrictions, in the statute of Charles II. now referred to, are absurd and impolitic, Mr. Smith has shewn very clearly; but it is unnecessary to follow him into his reasonings on this subject, as the argument already stated for the freedom of the inland trade of corn, if it proves anything, leads to the general conclusion, that this freedom should be unlimited.

It is pleasing to observe the gradual progress of light and liberality on these important subjects among men called to the administration of public affairs, and to perceive the influence which the writings of Turgot and Smith have insensibly assumed over the councils of nations.† The following quotation from a *Representation of the Lords of the Committee of his Majesty's Council for Trade*, drawn up in the year 1790, states the substance of the foregoing argument so forcibly and concisely, that I cannot deny myself the pleasure of transcribing it. To those who are acquainted with the works of the two philosophers just mentioned, it is unnecessary for me to point out its striking coincidence with their writings, both in point of sentiment and of expression.

* [Ibid. p. 309.]

† [The preceding sentence stood originally thus:]—"Nor is it unamusing to those who reflect on the unrestrained abuse which the circumstances of our own times have so long encouraged in the ignorant and unprincipled, against the best benefactors of the human race, to perceive the secret influence which the writings of a Turgot and a Smith begin to assume over the councils of nations."

"The best market for corn in every country is the home market; and the circulation of it within every kingdom ought to be free, so that the surplus of one part may supply the deficiency of the other, and that the price throughout the whole country may be brought as near as possible to a level.

"To facilitate the circulation of corn, this kingdom enjoys peculiar advantages, which arise from its situation as an island, from the number of its canals, and the excellence of its roads; as by these the populous and manufacturing counties in some parts of the island, can draw the necessary supplies from other parts which are less populous, but more productive of corn.

"In other countries, magazines of corn are formed by their respective governments, or by the principal magistrates of great cities, as a resource in times of scarcity. This country has no such institution. The stores of corn are here deposited in the barns and stacks of wealthy farmers, and in the magazines of merchants and dealers in corn, who ought by no means to be restrained, but rather encouraged in laying up stores of this nature; as after a deficient crop they are thereby enabled to divide the inconvenience arising from it as equally as possible through every part of the year; and by checking improvident consumption in the beginning of scarcity, prevent a famine which might otherwise happen before the next harvest. The inland trade of corn, therefore, ought to be perfectly free. This freedom can never be abused. To suppose that there can be a monopoly of so bulky and perishable a commodity, dispersed through so many hands over every part of the country, is an idle and vain apprehension. The ancient laws of this kingdom, which, by a false policy, restrained the inland trade of corn, have in general been repealed. The 15th Charles II., which does not permit the buying corn to sell again, and the laying it up in granaries, except when the several sorts of corn are below certain prices therein mentioned, is the only law of this description which will now be found in our statute-book, and ought certainly not to remain there any longer."*

* [In the Notes taken of this course in a subsequent year by Mr. Bridges, another Report of a Committee of the House of Peers is referred to, as hav-

In the same representation, indeed, there are to be found principles concerning the freedom of exportation, and some other articles in the corn trade, which are borrowed from a much more unenlightened system; and on which I shall have occasion afterwards to make some remarks. But the progress of truth in eradicating prejudices is slow and gradual; and we must console ourselves in the meantime, with observing in its progressive, though tedious advance, the certain presages of its future triumph.

Having mentioned, in the quotation just now read from the *Representation of the Lords of the Council on the Corn Trade*, the institution of public magazines, I shall take this opportunity of remarking how very imperfectly they supply the place of an internal freedom of trade. Magazines can do nothing more than private speculators; they can only buy when corn is cheap, and sell when it is dear; but they do this at such a vast expense, and with so little economy, that if they do not take an equal advantage of profit with private speculators, they must demand an enormous tax to enable them to carry on their business; and if they *do* take such profit, the people are never the better for them. Mr. Symonds, in his paper on the public Magazines of Italy, has proved them to be everywhere nuisances.[1]

In France, the prejudices against monopolizers (*Accapareurs*) seem to have been still more inveterate than in England; and restraints imposed by the law upon the inland trade of corn, have been much more numerous and oppressive. The attempts which, in later times, were made to correct these prejudices, and to introduce a more enlightened policy on the subject, are intimately connected with the political history of that country, and with the fortunes of some distinguished political characters; and, therefore, I shall make no apology for the length or minuteness of the following details, more especially as many of them afford additional proofs and illustrations of the general principles which have been already stated.

ing been quoted by Mr. Stewart;—that, to wit, on the Dearth in 1799-1800. This, however, it is not thought necessary to adduce articulately.]

[1] *Annals of Agriculture*, Young's *France*, p. 483.

In the year 1763, under the administration of M. de Laverdi, a considerable step had been made towards an emancipation of this branch of commerce from the restraints which had so long fettered it;[1] and, in particular, a freedom of trade, from province to province, had been established. But these indulgences were afterwards recalled by the Abbé Terray in 1770. At this time, M. Turgot was INTENDANT OF LIMOGES, where he had experienced, in one of the poorest provinces of France, during two years of scarcity, the happy effects of maintaining, with all the influence and power which his station enabled him to command, that degree of liberty which the laws then allowed to the inland dealers in grain. The Minister of Finance having requested, on this occasion, the advice of the Intendants of the different Provinces, M. Turgot addressed to him *Seven Letters*, which are said to have formed a complete treatise on this important object of legislation.[2] Of these Letters, only Four have been preserved;* the other Three having, by some unaccountable accident, been lost. The whole were composed in three weeks,[3] during a tour which the author made through the province under his Intendance, and amidst the various minute avocations connected with his office. Some are even said to have been written in a single evening. And yet in this imperfect fragment, so hastily executed, he has left a lasting monument of the extent and justness of his political views, as well as of an admirable and almost unrivalled talent for a clear, methodical, and concise exposition of general principles. I think it may be questioned if the argument has been yet stated by any other writer with equal ability and force. As for M. Terray, we are told by Dupont in his *Biographical Memoirs of Turgot*, he "read the letters and admired them; extolled in the warmest terms the information, the talents, and the courage of the author; and concluded, by renewing the old prohibitive regulations."† "It is indeed unfortunate," as another

[1] *Nouvel Abrégé Chronologique de l'Histoire de France*, T. II. pp. 81-184.

[2] Dupont, p. 86.—[*Œuvres de Turgot*, Tome I. p. 95.]

* [*Œuvres*, Tome VI. pp. 120-291.]

[3] Condorcet, p. 49.

† [*Œuvres de Turgot*, Tome I. p. 99.]

friend of Turgot, [Condorcet ?] remarks in mentioning the same incident, "that in political discussions our judgments are less influenced by our reason than by the temper of our minds. Most understandings are able to perceive the truth, but few possess that force of character which is necessary for reducing it to practice. In such cases we naturally strive to disbelieve what we have no inclination to carry into effect; and it is only the few who feel that courage which virtue inspires, who openly avow opinions which impose on them the duty of combating prejudices and intrigues, and of sacrificing the paltry politics of self-interest to general utility."

In 1774, a few months after the accession of Louis XVI., M. Turgot was appointed Controller-General of the Finances,[1] in the room of Abbé Terray, and one of the first acts of his administration was to establish the freedom of the inland trade of corn through the whole kingdom. "To animate agriculture by the prospect of a ready and free market for the commodities it supplies; to increase at once the quantity of subsistence and the rents of lands; to prepare for the people the resources of an active and extended commerce against unfavourable seasons and local scarcities; to render their wages at all times equal to their wants by diminishing as much as possible the variations in the price of grain;—in one word, by the establishment of a certain and constant market, to secure the proprietors, the cultivators, the government, and the people at large, against all risk of losing any part of the produce of the land, as well as against the vexations, oppressions, and disorders which must occasionally arise from a system of restraints and prohibitions;—such were the avowed motives of this wise and salutary law."[2] M. Turgot has himself explained and justified them at considerable length in the preamble of the *Edict*,* which appears to have been drawn up with the view of obviating those objections which might present themselves against the expediency of the

[1] He had before been appointed Minister of the Marine, but held the office only five weeks. *Abrégé Chron.* Vol. II. p. 178. Dupont, p. 124.—[*Œuvres de Turgot*, Tome I. p. 145.]

[2] Condorcet, p. 73.

* [See *Œuvres*, Tome VII. p. 10, *seq.*]

measure on a partial and superficial view of the subject. I would have introduced a translation of it here from a copy of his *Edicts*, which is in my own possession, if I had not been afraid of adding too much to the length of this digression. I must not, however, omit to mention, that although perfectly aware of the advantages to be expected from a free exportation, as well as from a free inland trade, he had the caution and good sense to confine himself, in the first instance, to the establishment of the latter; leaving the exportation of grain under the *same* prohibitions which had been enacted by the Abbé Terray. "His Majesty reserving to himself the satisfaction of bestowing marks of his special protection on such of his subjects as may import foreign grain into those parts of the kingdom where any symptoms of scarcity may appear; and forbearing at present, to make any alterations on the laws which exist against exportation."[1]

Unfortunately the harvest of this year turned out ill, and some apprehensions of a scarcity were felt or pretended in the spring following. It was difficult to suppose that this could have been the effect of an inland freedom of transportation; nor did the enemies of the minister venture on such an assertion. They, however, took advantage of the agitation of the public mind,—declaimed upon the dangers of a free exportation, which then remained under the very same prohibition as before, and the ruin to be apprehended from speculative statesmen, willing to sacrifice the people to philosophical experiments. A sound and consequential logic is not very necessary in addressing the multitude upon subjects which interest their passions; and it was easy to associate in their minds the measures of the actual administration with the public distress which was felt or apprehended. A celebrated statesman and eloquent writer,[2] who has since acted a conspicuous part on the theatre of Europe, has

[1] "Se reservant au surplus sa Majesté, de donner des marques de sa protection spéciale, à ceux de ses sujets qui auront fait venir des blés étrangers dans les lieux du Royaume où le besoin s'en seroit fait sentir; n'intendant sa Majesté statuer quant à présent et jusqu'à ce que les circonstances soient devenues plus favorables, sur la liberté de la vente hors du Royaume."—[*Œuvres*, Tome VII. p. 27.]

[2] Necker.

left a stain on his character, which will not be easily effaced, by the share which he had in promoting the public discontents against the salutary measures of Turgot and his friends. Misled, it is probable, by his own sanguine schemes of beneficence, he believed that he was serving his country by every step which facilitated his own advancement to power. Nor is it at all unlikely that he was really a dupe to his own ingenuity in his mistaken speculations on the *legislation of grain*. One thing is certain, that the argument in favour of the old prohibition system has been stated by no writer, either in France or in England, with equal force and plausibility. And we know, that at a later period of his life, when every object of his personal ambition was fully attained, he continued to act on the same narrow and erroneous principles.

Another work which, about this period, (or rather a few years before,) excited much attention in France, was the *Dialogues on the Commerce of Grain*, by the Abbé Galiani of Naples. The author was then living at Paris as secretary of legation to the Neapolitan embassy, and composed on this very unpromising subject, and in the *French* language, eight dialogues, which Voltaire (in a letter addressed to Diderot) pronounces to be worthy of the genius of Plato combined with that of Molière. The principles he maintained were nearly the same with those which were afterwards adopted by Necker, and produced so great an impression on the public mind, that a formal refutation of them was undertaken by the Abbé Morellet. The Marquis Caraccioli, in a letter from Paris to Galiani, who had returned to Naples previous to the publication of his book, mentions the opinions of Turgot with respect to its merits. "Turgot," says he, "agrees perfectly with the Abbé Morellet in thinking, that no doctrines were ever calculated to do more mischief." The Government, however, at this period, inclined to the opinions of Galiani, and prohibited the Abbé Morellet to continue the controversy.

I made some remarks, at our last meeting, on the Corn-trade, confining myself chiefly to the *inland branch* of it, but inter-

spersing a few observations, which seemed to arise naturally from the subject, on the prejudices against a free *exportation*. The prosecution of this argument led me to take notice of the extreme difficulty of this article of Political Economy,—a difficulty not arising from any peculiar obscurity in which the truth is involved, but from the necessity under which a statesman must frequently find himself of yielding something to the prejudices and passions of those whom he governs. The history of France during the last forty years affords some memorable examples of this; and I refer to it in preference to that of our own country, both because the opposite opinions have been there carried to a greater extreme, and because I feel myself less under restraint in censuring the undue influence which these opinions have occasionally had on public measures.

I mentioned the steps taken (under the administration of M. de Laverdi,) towards an emancipation of this branch of commerce from the restraints which had so long fettered it. The king's Edict, giving "permission to circulate corn and flour through the whole extent of the kingdom, free from all duties," was dated at Versailles 25th May 1763. Another Edict, relative to the exportation and importation of grain, was given at Compiegne in the month of July 1764. The preamble is not undeserving of attention.

"The attention which we owe to everything that may contribute to the welfare of our subjects, hath induced us to give a favourable hearing to the petitions which have been presented to us from all parts, to establish an entire liberty in the Corn Trade, and to revoke such laws and regulations as have been heretofore made to restrain it within too strict bounds. After having taken the opinion of persons the best acquainted in the affair, we thought it necessary to comply with the solicitations which have been made to us for the free exportation and importation of corn and meal, as proper to encourage and increase the cultivation of land; to maintain plenty by magazines and the importation of foreign corn; to prevent corn from being at a price which discourages the grower; to banish monopoly by an irrevocable exclusion of all particular permis-

sions; and in the end, by a free and entire competition in the trade, to keep up between different nations that communication of exchanging superfluities for necessaries, so conformable to the order established by Divine Providence, and to views of humanity, which ought to animate all sovereigns."

The speech of M. de Carodeuc de la Chalotais, when he presented this Edict for registration to the Parliament of Brittany, may be found in the *Supplement to the* [C. Smith's] *Three Corn Tracts*, [1766.]* It is valuable as it exhibits a view of the state of the corn-trade in France for more than a century preceding.

The revocation of these Edicts under the administration of the Abbé Terray, and the subsequent measures of Turgot, were stated in my last lecture with sufficient minuteness for my present purpose.

Of the origin and progress of this literary and political controversy in France, a circumstantial account may be found in various writers. The following rapid sketch is a faint translation from the light and inimitable pen of Voltaire. I quote it less on account of the information it conveys, than of the happy touches with which the author characterizes the enthusiasm and levity of his frivolous countrymen.

"About the year 1750, the French nation surfeited with verses, with tragedies, with comedies, with operas, with romances, with romantic histories, with moral reflections more romantic still, and with disputes on the mysteries of theology, betook itself to discussions on the subject of grain. The vineyards were forgotten, and nothing was talked of but wheat and rye. Volumes on volumes were written about agriculture, which everybody read excepting the husbandman. It happened to strike some one in his way home from the *Opéra Comique*, that France had immense quantities of grain to dispose of; the nation became clamorous, and obtained from the Government, in 1764, the freedom of exportation. The consequence was the same as in the reign of Henry IV. The

* [I have not been successful in finding the speech in the place designated. The edition which I have examined is dated *London*, 1766.]

exportation was carried a little too far, and a year of scarcity followed. The discontented ran from one extreme to the other, and declaimed against the exportation which they had solicited. Some men of genius and of the most disinterested benevolence wrote with equal sagacity and courage in favour of an unlimited freedom in this branch of commerce. Others not inferior in genius, and with motives not less pure, contended that this freedom should be subjected to regulations. Of this number was the Abbé Galiani of Naples, who discovered the secret of composing (and in the French language) dialogues as amusing as our best romances, and as instructive as our most serious performances. If this work did not lower the price of bread, it gratified the public in a way not less acceptable, by adding to the stock of its entertainment. The advocates for an unlimited exportation replied formally. The result was, that their readers knew no longer what to make of the controversy: The greater part began a course of novel reading, in hopes that three or four years of plenty might enable them to form a judgment. The ladies relapsed into their former ignorance of the distinction between rye and wheat; and the curates returned to their old belief, that the seed must die and rot before it quickens."*

The same prejudices with respect to the corn-trade, which were employed so unjustly but so successfully as an engine of popular opposition to the administration of Turgot, appear to have existed in full force in many parts of France at the period when the late Revolution commenced. Of this a judgment may be formed from the *Cahiers*, or papers of instructions given by the different electoral bodies to their representatives. By one of these (the *Tiers-état de Meudon*) it is demanded, that as France is exposed to the rigours of famine, every farmer shall be obliged to register his crop of every kind, and also every month the quantity sold." Another requires, "That the severest laws be passed against monopolizers, whose agency at present desolates the kingdom." Fifteen demand the

* [The original will be found in the *Dictionnaire Philosophique*, Art. *Blé*, Sect. iii.]

erection of public magazines; and even the author of the *Cahier* presented by the *Tiers-état de Paris*, demand "that the transport of corn from province to province should be prohibited."[1] Nor will the inveteracy of these prejudices in France appear so wonderful, when we consider that in that country the people live almost entirely on bread; that in consequence of the small farms which are everywhere prevalent, the quantity of corn in the markets is always, in Autumn, beyond the proportion reserved for supplying the rest of the year; and that the number of real speculators or *accapareurs*, is by far too inconsiderable to remedy this evil. From these causes the supply must necessarily be irregular and frequently insufficient; an insufficiency, however, wonderfully increased by that popular violence which has been so often encouraged and sanctioned by blunders of Government and by *arrêts* of Parliament.

Of this prejudice, deeply rooted in the minds of the French population, a very dexterous and but too successful advantage was taken by those anarchists who availed themselves of the revolutionary crisis as a fit occasion for wresting the government from the hands of their lawful masters: and it was by means of that violence so naturally inspired by such prejudices, that the lower orders were first stimulated to those sanguinary atrocities which have left so indelible a stain on the national character. A more striking example is not furnished in the whole range of history, of the expediency of correcting, in times of established tranquillity, whatever errors and misapprehensions on the part of the people seem most likely to furnish arms to ambitious and unprincipled demagogues, with which they may, in times of distraction and disorder, assail the authority of wisdom and virtue. They demonstrate the truth of the maxim of a French writer, speaking of religious enthusiasm—a maxim which may be extended with equal justice to all the duties of a government:—"Seize the moment when the tide is at the lowest ebb to repair and strengthen your dikes."

With these views it may be proper to prosecute a little farther this account of the fluctuations of the French policy, in

[1] Young's *France*, p. 482.

regard to the commerce of grain. In doing so, I shall be unavoidably led to anticipate some observations connected with another branch of our subject. But this apparent defect in arrangement, is the necessary consequence of the connexion which subsists between the different branches of the corn-trade.

In the months of May and June 1789, after a harvest, which though not great, is allowed to have been but little under the common average, so extraordinary a dearness prevailed, that M. Necker thought it expedient to order immense cargoes of wheat, and every other sort of corn, to be bought up all over Europe. In a paper published by himself, entitled *Mémoire Instructif,* he states, that he has ordered to be bought 1,404,463 quintals of different sorts of grain, of which more than 800,000 were arrived. The expense of this importation amounted to 45,543,697 livres, (about £2,000,000;) and to such a length were plans of economy carried among the higher orders, that we are assured the king allowed only bread of wheat and rye mixed to be served at his own table.

It does not belong to our present subject to offer any opinion concerning the primary causes of this pretended scarcity. That it originated with the minister I am very far from supposing or believing, but that he contributed, by his indiscretion, greatly to aggravate the evil, while he was disinterestedly risking his own fortune in an attempt to counteract it, appears to be unquestionable. The following sentence in his *Mémoire Instructif* admits of no apology, and is perfectly in the style of the addresses made, of late, by the English judges to the grand juries.

"Monopolizing is the first cause to which the multitude naturally ascribes the high price of grain; and, in fact, there is often but too much reason to complain of the mischiefs occasioned in this way by the avarice of mercantile speculators."[1]

The consequences were such as might have been expected,—

[1] "Les accaparemens sont la première cause à laquelle la multitude attribue la cherté des grains, et en effet on a souvent eu lieu de se plaindre de la cupidité des spéculateurs."

a blind rage against Monopolizers, accompanied with various outrages and atrocities. In June and July the markets were not opened till troops arrived to protect the farmers from having their corn seized; and the magistrates, to prevent insurrections among the people, had recourse to the pernicious measure of regulating prices. The farmers, in consequence, refrained from going to market, in order to sell their wheat at home at the best price they could get, (which was, of course, much higher than the assize of the markets;) and an evil which, if left to itself, must, at the worst, have terminated in the inconveniences connected with a short or deficient crop, began to assume the awful appearance of an inevitable famine.

In the proceedings of Government on this occasion, nothing seems to have been more reprehensible than an imprudent disclosure of its own apprehensions and alarms. We are told by Mr. Arthur Young, who was engaged in an agricultural survey of France at this period, that the publication of M. Necker's *Mémoire Instructif*, (in which he announced the steps he had taken for the importation of a suitable supply,) "instead of sinking the price, raised it directly and enormously: upon one market day at Nangis, from thirty-eight livres to forty-three livres the septier of two hundred and forty pounds, and upon the following one (July 1st) to forty-nine livres. On the next day, at Columiers, it was taxed by the police at four livres five sous, and four livres six sous the twenty-five pounds; but as the farmers would not bring it to market at that price, they sold it at their farms at five and a half livres and even six livres; that is, at the rate of fifty-seven livres the septier. At Nangis it advanced, in fourteen days, eleven livres a septier; and at Columiers a great deal more."* Of these facts Mr. Young was an eye-witness; and as they took place in the vicinity of the capital, for which the great foreign provision was chiefly destined, they prove, in the most unequivocal manner, the mischiefs produced by the agitation thus excited in the public mind. A measure which cost the nation forty millions of livres, had the effect, in the two markets which Mr. Young

* [*Travels in France*, p. 477.]

attended, of instantly raising the price of grain twenty-five per cent,—a rise depending solely on *opinion*, as both the quantity of corn and of money in the kingdom remained the same as before. If no public step whatever had been taken, Mr. Young gives it as his opinion, that the price of wheat, in no part of France, would have been, in 1789, at so high a rate as thirty livres, instead of rising to fifty and fifty-seven livres.

From these circumstances, Mr. Young has drawn a conclusion which deserves the serious attention of all Governments,—"Never to express publicly any apprehension of a want of corn, by proclamations against exports, by regulations of sale, by laws against monopolizers, or by holding out hopes of importation."* All these measures have the same tendency. They confirm amongst the people the apprehension of want and of famine; and this can never take place without, in some degree, realizing the evil apprehended. It is, therefore, the duty of a wise and enlightened government, if at any time they should fear a short provision of corn, to take the most private and cautious measures possible either to prevent export, or to encourage imports, and to avoid making any public decree or declaration. Of the truth of this M. Necker appears to have been aware, when he published his Treatise on the *Legislation and Commerce of Grain*. "Un des plus grands inconvéniens attachés aux permis d'importation; c'est qu'elle instruit avec éclat de l'inquiétude du governement, qu'elle accroit ainsi les alarmes et renchérit le prix."[1] From the occurrences which took place in our own country a few years ago, there is ground for suspecting that the truth of this maxim is, here, far from being universally admitted among our legislators. The result, too, was perfectly analogous to what was observed in France. But on this topic I forbear to enlarge at present.

As it is only the inland trade of corn which falls immediately under our consideration in this part of our argument, it would be foreign to the subject to examine particularly the wisdom of M. Necker's system in prohibiting the *export* of grain, (which the Archbishop of Sens had permitted the year before,) or in

* [Ibid. p. 476.]

[1] P. 293.

attempting to relieve the apprehended scarcity by *importing* to so large an amount as has already been mentioned, [*supra*, p. 71.] I cannot help, however, taking this opportunity of remarking, as an illustration of what was formerly stated concerning the insignificancy of the *foreign* trade of corn when compared with the *inland*, that the supply obtained by M. Necker at the expense of two millions sterling, would not (according to Mr. Young's calculation) add three days' provision to the national stock.[1] So completely ineffectual is importation on the largest scale as a remedy for famine, and so absurd is the idea of providing for the wants of a numerous community by means of a resource which must necessarily bear so trifling a proportion to their consumption.

Mr. Young ventures to push the conclusion, and to assert, that *all great variations* in the price of corn are engendered by apprehension, and do not depend on the quantity in the market. That this was the case in France in 1789, appears clearly from the facts already stated; but although I am very far from presuming to deny the truth of the general proposition, I am not quite prepared to admit it in its full extent without some farther illustration. One great source, according to this author, of the common mistakes on this head, is the extravagant calculations that have been offered to the public concerning the annual produce of different countries. The Abbé Rosier, for example, declares, "que la France récolte, année ordinaire, près du double plus de bled qu'elle n'en consume." "If this be true," Mr. Young asks, "what becomes of the surplus? Where are the other 26,000,000 of people who are fed with French corn? Where do the 78,000,000 of septiers go that France has to spare, a quantity that would load all the ships possessed by that kingdom, above thirty times, to carry it? Instead of the common crop equalling two years' consumption, it certainly does not equal thirteen months' *common* consumption; that is, such a consumption as takes place at an average price. And all the difference of crops is, that consumption is moderate with a bad harvest, and plentiful with a good one. The failure of a

[1] Young's *France*, p. 479.

crop in one province, in a very small degree, which, under a good government and entire liberty of trade, would not even be felt, will, under a system of restrictions and prohibitions, raise the price through the whole kingdom enormously; and if measures are taken by government to correct it, they will convert the high price into a famine."* Thus far Mr. Young, to whose opinion on the subject I am disposed to pay the greater deference, that it coincides with that of Sir James Steuart, an author of very extensive and accurate research on all questions connected with *Political Arithmetic*, and whose information, in point of facts, will be allowed even by those who think the most lightly of his *speculations*, to rest in general on very authentic documents. I shall transcribe the passage, (with a few retrenchments,) though at the hazard of repeating some ideas, which may occur elsewhere, in a different form, in the course of the discussion.

"I have often said that numbers are in proportion to the produce of the earth. I now say, that, in most countries of Europe, the food produced in the country is *nearly* consumed by the inhabitants; or, in other words, that the part exported bears a small proportion to the home consumption. I do by no means establish this as a universal proposition, but I say it is true, *for the most part*, and under certain limitations. I allow, for example, that Holland, not producing food for its inhabitants, must draw it from some country which produces a superfluity regularly. But let it be observed that Poland, Germany, Flanders, and England, with many other countries, contribute their contingents to supply the demand of the Dutch, as well as of several large trading towns which have small territories. This being the case, the quota furnished by each country must be in a small proportion to the respective quantity growing in it. . . .

"In farther confirmation of this conclusion, let us attend to the state of the fact in England,—one of the countries in Europe abounding, undoubtedly, as much as most others in grain. Nothing is more common than to hear that an abundant crop furnishes more than three years' subsistence. Nay, it

* [*Travels in France*, p. 485, note.]

is advanced by an author of note, (*Advantages and Disadvantages of France and Great Britain, &c.*, Art. *Grain*,) that a plentiful year produces five years' nourishment for the inhabitants. . . . I am, on the contrary, apt to believe, that no annual produce of grain ever was so great in England as to supply the inhabitants fifteen months, *in that abundance with which they feed themselves in a year of plenty.* If this be the case, at what may we compute the surplus in ordinary good years? I believe it will be thought a very good year which produces *full* subsistence for fifteen months; and crops which much exceed this are, I believe, very rare. My reasons for thinking so are as follows:—

"I consider all the yearly crop of grain in England as consumed at home, except what is exported; for I cannot admit that any considerable quantity is lost:—that it may be abused, misapplied, drunk when it should be eat, I do not deny. These are questions which do not regard the present inquiry. Whether, therefore, it be consumed in bread, beer, spirits, or by animals, I reckon it consumed; and, in a year when the greatest consumption is made at home, this I call *the abundance with which the inhabitants feed themselves in years of plenty.* Now, I find, in the performance above cited, a state of exportations for five years, from 1746 to 1750 inclusive where the quantity exported amounts in all to 5,289,847 quarters of all sorts of grain. This is not one year's provision, according to Sir William Petty, who, supposing the inhabitants of England to be 6,000,000, estimates the yearly consumption of grain of all kinds at about 6,000,000 of quarters.* The bounties on Corn (continues the same author) have amounted in one year to £500,000. Supposing this statement to be true, and that the whole exportation was made out of the produce of one crop, this sum does not answer to the bounty upon 3,000,000 of quarters, which, according to Sir William Petty, make six months' provision. I calculate thus:—The bounty upon wheat is five shillings a quarter, that upon rye three shillings and sixpence, that upon barley two shillings and sixpence, these are the species of grain

* [This calculation Sir James Steuart takes from a previous part of his work, Book I. chap. viii.; *Works*, Vol. I. p. 53, *seq.*]

commonly exported; cast the three premiums together, and divide by three, the bounty will come to three shillings and eightpence at a medium, at which rate £500,000 will pay the bounty of 2,727,272 quarters of grain. An immense quantity to be exported! but a very inconsiderable part of a crop, supposed capable to maintain England for five years." . . .

"On the other hand," continues the same author, "I am apt to believe that there never was a year of such scarcity as that the lands of England did not produce greatly above six months' subsistence, *such as the people are used to take in years of scarcity.* Were six months of the most slender subsistence to fail, I imagine all Europe together might perhaps be at a loss to supply a quantity sufficient to prevent the greatest desolation of famine."*

In proof of this, Sir James appeals to a fact which (not having access at the time to the registers of the trade in grain) he states on the authority of a London newspaper. From this document it appears, that from the 9th of April to the 13th of August 1757, while great scarcity was felt in England, there were declared to be in the port of London no more than 71,728 quarters of wheat, of which 15,529 were not then arrived; so that the whole quantity there imported to relieve the scarcity was 56,199 quarters. Not one month's provision for the inhabitants of that city, reckoning them at 800,000 souls.

Another fact, leading to the same conclusion, Sir James states from his own observation on what he saw in Germany during the year 1757, where, in the numerous armies which were then assembled, there was a universal complaint of scarcity. "When we compare," says he, "the numbers of an army, let it be of 100,000 men, with a suit no less numerous, and 40,000 horses, what an inconsiderable number does this appear in proportion to the inhabitants of so vast a country as Germany! Yet let us observe the quantity of provisions of all sorts constantly coming down the Rhine, the Moselle, and many other rivers, collected from foreign provinces on all hands; the numbers of cattle coming from

* [*Political Œconomy*, Book I. chap. xvii.; *Works*, Vol. I. pp. 143-146.]

Hungary; the loads of corn from Poland; and all this in a year which has produced what at any other time would have been called an excellent crop. After these foreign supplies, must not one be surprised to find scarcity complained of in the provinces where the war is carried on, and high prices everywhere else? From such circumstances I must conclude, that people are generally very much deceived in their estimate of plenty and of scarcity, when they talk of two or three years' subsistence for a country being found upon their lands at once. I may indeed be mistaken in my conclusions, but the more I have reflected on this subject, the more I find myself confirmed in them, even from the familiar examples of the *sudden rise of markets from very inconsiderable monopolies, and of the sudden fall by inconsiderable quantities imported.*"*

After these remarks, Sir James Steuart proceeds to resolve a difficulty which naturally arises out of the foregoing doctrine, and which seems at first view to suggest a strong objection against some of his conclusions.

"If it be true," says he, "that a crop in the most plentiful year is nearly consumed by the inhabitants, what becomes of them in years of scarcity? for nobody can deny that there is a great difference betwixt one crop and another. To this I answer, first, That I believe there is also a very great deceit, or common mistake, as to the difference between crops: a good year for one soil, is a bad one for another. But I shall not enlarge on this, because I have no sufficient proof of my opinion. The principal reason upon which I found it is, that it is far from being true, that the same number of people consume always the same quantity of food. In years of plenty, every one is well fed; the price of the lowest industry can procure subsistence sufficient to bear a division; food is not so frugally managed; a quantity of animals are fatted for use; all sorts of cattle are kept in good heart; a people drink more largely because all is cheap. A year of scarcity comes, the people are ill-fed, and when the lower classes come to divide with their children, the portions are brought to be very small;

* [Ibid. pp. 148, 149.]

there is great economy upon consumption, few animals are fatted for use, cattle look miserably, and a poor man cannot indulge himself with a cup of generous ale. Added to all these circumstances, that in England the produce of pasture is very considerable, and it commonly happens, that a bad year for grain, which proceeds from rains, is for the same reason a good year for pasture; and in the estimation of a crop every circumstance must be allowed to enter."*

It may be worth while to take this opportunity of remarking, that in this country we have a resource against scarcity, not to be found in vine countries, that of stopping the distilleries. The expedient of stopping the manufacture of starch has also been occasionally had recourse to.

The foregoing quotations seem abundantly to confirm the truth of the general positions which they were brought to support, that in most countries of Europe the food produced in the country is *nearly* consumed by the inhabitants, (or in other words, that the part exported bears a small proportion to the home consumption,) and consequently, that all *great variations* in the price of corn are engendered by apprehension, and do not depend on the quantity in the market. Various other proofs of the same thing may be found in Vaughan's *Treatise on Commerce*. Even M. Necker himself admits, that during half a century the importation into France has never borne to the whole consumption a higher proportion than that of one or two to a hundred;[1] nor does he seem much disposed to call in question the accuracy of those who affirm, that during the three years which followed after the Edict 1764, establishing a liberty of exportation under certain limitations, the exportation never exceeded the hundredth part of the annual consumption.[2]

These truths cannot be too frequently or too strongly inculcated on the minds of the people; and in so far as Necker's measures in 1789 had a tendency to encourage contrary ideas,

* [Ibid. pp. 149, 150.]

[1] I state this on the authority of Vaughan, for I have not been able to find the passage in Necker.

[2] *Sur La Législation des Grains*, p. 58.

they justly merit the censures they have received. The passage, in particular, formerly quoted [*supra*, p. 71] with respect to monopolizers, at a period when the force of Government was so incompetent for the protection of persons and properties, leaves a blemish on his character both as a man and a minister, which it will not be easy for his most partial admirers to remove. The facts, too, stated by Mr. Young, seem sufficiently to prove, that by several indiscretions both in his measures and in his writings, he contributed to aggravate instead of lessening the evil.

Notwithstanding, however, these concessions to M. Necker's opponents, and my own conviction of the erroneousness of his general principles concerning the legislation of grain, I cannot without forfeiting all claim to candour, join with Mr. Young in an *unqualified* censure of the measures which he opposed to the scarcity, real or pretended, of 1789. The ordinary powers of Government, which, during the administration of Necker's immediate predecessor, had completely lost their energy and almost their existence, were then supplied entirely by the commanding influence of public opinion, and by the enthusiastic confidence with which the great body of the nation looked up to the virtues of the Sovereign, seconded by an almost universal conviction of the patriotism and the talents of his minister. In such circumstances, it would be unfair to judge of the measures which were adopted, by the same maxims which apply to a nation in times of tranquillity, among whom the wise and equitable arrangements of an enlightened legislator can be established at once by the irresistible arm of the executive magistrate.

That the freedom of the corn-trade, although a wise and just measure considered abstractly, was rashly established in the year 1787, by the Archbishop of Sens, will, I believe, be readily granted by all who are well acquainted with the circumstances of the case. It was certainly not a time to shock popular prejudices upon a subject of so delicate and critical a nature; and of all men, *M. de Brienne*, who had been intimately connected with M. Turgot, ought to have avoided a step which could not

fail to revive the old clamours that had been excited (however unjustly) against a far less violent reform, when hazarded by that minister. Nor does it afford any apology for this measure to observe with Mr. Young, that the trade which this freedom encouraged was more an import trade than an export one. The contrary was much more likely to be believed by the people, and although (as we shall afterwards shew) a freedom of exportation is no less beneficial to the community than a freedom of importation, the truth of this principle is far from being obvious to common understandings, and it requires a course of years to verify it by actual experience. Its *first* effects, so far as they extend, are certainly to diminish the subsistence of the people, and to enhance its price; and it was in a high degree impolitic at a moment when the whole fabric of the French Government was tottering to its fall, to risk this alarming inconvenience, although of a temporary nature, upon the speculative hope of a distant advantage, which nothing but the continuance of national tranquillity could realize. I apprehend, therefore, that M. Necker was fully justified in prohibiting the trade of exportation, from the regard which a wise minister must frequently feel it his duty to pay to popular prejudices, more especially as, in this instance, he did no positive harm, but merely abandoned a speculative principle. Nor am I even disposed to condemn, without many qualifications of the censure, the efforts which he made for the importation of grain. They tended, at least, to satisfy the people, that the scarcity which existed was not owing to the intrigues of Government, and thereby to support that popularity of the Sovereign, which then constituted the whole strength of the monarchy; and which, if the charm had not been broken by the fatal measure of Necker's exile, would in all probability have continued to oppose an effectual barrier to the rage of violent innovation. It must be remembered, too, that however trifling the supply may appear when compared with the whole population of France, the case is very different when compared with that of Paris and the neighbourhood, where it was of the greatest consequence to allay the popular alarms. Even here, if the supply

had been small in fact, it affords a sufficient justification of the minister, if his measure contributed to revive the public confidence.—I believe, indeed, that it actually *failed* in this respect, but it was not unnatural to expect the contrary; and at any rate, circumstanced as things then were, it was the *only* measure left for the Government to employ.

A remark which Mr. Young himself has made, ought always to be kept in view in judging of the measures which were adopted on this occasion. "The mass of the people in great cities are all alike, absolutely ignorant of how they are fed, and whether the bread they eat be gathered like acorns from a tree, or rained from the clouds; they are well convinced that God Almighty sends the bread, and that they have the best possible right to eat it."*

Mr. Smith, too, with all his strong attachment to an unbounded freedom in this branch of commerce, candidly insinuates an apology for the absurd regulations which restrain the corn-trade under almost all governments. "The laws concerning corn," he observes, "may everywhere be compared to the laws concerning religion. The people feel themselves so much interested in what relates either to their subsistence in this life, or to their happiness in a life to come, that government must yield to their prejudices, and, in order to preserve the public tranquillity, establish that system which they approve of. It is, perhaps, on this account," he adds, "that we so seldom find a reasonable system established with regard to either of those two capital objects."†

The very same comparison between the laws respecting corn, and those which relate to religion, occurs in M. Necker's *Treatise on the Legislation and Commerce of Grain.* In speaking of the free exportation of this article, he observes, that "although it were as favourable to the public prosperity, as he believes it adverse to it, it would be scarcely possible to maintain the authority of the law which should establish, in opposition to the prejudices and passions of the people." "The

* [*Travels in France*, p. 484, *seq.*]

† [*Wealth of Nations*, Book IV. chap. v.; Vol. II. p. 318, tenth edition.]

bread," says he, "by which the people are fed, the religion by which they are comforted, are ideas as simple as human nature, and inseparable from the human frame. The prosperity of the state, the interests of ages yet to come, the interests even of the succeeding generation, are words which produce no impression. The people feel themselves related to society by their sufferings alone, and of all that immense space which is called *the future*, the pressure of their wants prevents them from extending their views beyond a provision for to-morrow.

"It is thus," he concludes, "that when the price of corn rises so high as to make their subsistence uncertain, a cry is naturally and necessarily raised against exportation, and against every law on which a pretence of blame can be thrown for the hardships and anxieties they suffer. In the midst of their daily toils, and of their ordinary indigence, they survey with tranquillity the indolence, the affluence, and the apparent happiness of the rich; they are accustomed to consider them as beings of a different species, and to be dazzled by the magical splendour of pomp and magnificence. But when an alarm, whether well or ill-founded, concerning the means of subsistence, lays hold of the imagination, and touches the great spring of all their movements, the whole of their energy rouses, and the same people who suffer themselves, with an infantine simplicity, to be easily guided by leading strings through all the spectacles which society presents of an inequality of prosperity, and through all the contrasts they see of want, on the one hand, and superfluity on the other, exhibit the ungovernable ferocity of a beast of prey when urged by the terror of famine."

It is not, however, I presume, on these general considerations that M. Necker or his friends would wish to rest his vindication for the great importation he attempted in 1789. Nor do I suppose they would admit the conclusiveness of Mr. Young's reasonings against it, founded on the inconsiderable proportion between the quantity imported and the whole population of France. I already said, that it is only with the population of Paris and the neighbourhood that it ought to be compared, as it was in this part of France that it was chiefly intended to

operate. But abstracting entirely from this circumstance, Mr. Young seems to have overlooked completely one very important principle in this argument—that a very trifling difference in the quantity of grain in the market may occasion an immense fall or rise in the price. This observation was long ago made by Mr. King, in a passage quoted by Dr. Davenant, and has been more fully illustrated by the author [Mr. Charles Smith] of the *Three Tracts on the Corn-Trade*,* which I have already repeatedly referred to. M. Necker, too, in combating an assertion of a writer on the Commerce of Grain, that the price of that commodity varied proportionally with the quantity in the market, "so that to raise it a fifth or a tenth, a fifth or a tenth must be abstracted from the general supply," asserts that the abstraction of a fifth or a tenth, or of much less, may, in certain circumstances, raise the price beyond all bounds. In particular, he asserts that the exportations after the year 1764, (which we are assured by the partisans of that measure never exceeded the hundredth part of the whole consumption,) raised, in several of the provinces of France, the price nearly a hundred per cent. "It is not," he adds, "with the amount of grain left in the country that we must compare the quantity abstracted by exportation, but with the amount of that surplus, which experience shews to be necessary for keeping within bounds the speculations of monopolizers, and the alarms of the consumers." Although, therefore, the quantity imported in 1789 had been much less than it was, it might still have produced a great reduction in the price, and would probably have done so if the public mind had not been agitated by a thousand other causes of a very different nature. The truth is, that the question concerning the expediency of this measure cannot be decided on any general principles of Political Economy, but turns entirely on the adaptation of the measure to the actual state of the public mind. On this point, whatever the result was, I have no doubt in preferring the judgment of the Minister to that of Mr. Young.

Still, however, we remain under very great obligations to this

* [P. 47, *seq. et alibi.*]

last writer for the stress he has laid on that very important fact which gave rise to this discussion,—That the import and export trade of corn are extremely insignificant in the case of a great country like France or England, when compared with that which is carried on at home. But although this demonstrates, that it is on the freedom of the inland trade that the subsistence of the people essentially depends, and that if the people were entirely under the government of reason, the export and import trades would be objects of very little consequence to the Legislator, it does not follow that they may be safely neglected by a statesman placed at the head of an unenlightened, prejudiced, and turbulent nation, over which he possesses little power but what is founded on public opinion. On the contrary, it appears from the fact, that an export or an import trade, however trifling the effects which they might be expected *a priori* to produce, may not only, in particular cases, materially affect the general tranquillity, but may actually produce a very great *variation of price*, by influencing the imaginations and passions of the multitude. In this point of view, they are objects of attention to the Legislator, no less than those causes of plenty and scarcity which may be subjected to the rigour of arithmetical computation; and in so far as this is the case, it will not be disputed, that the dexterous management of them requires a much nicer and more practised hand.

"It is a common and fatal error among systematical politicians (as Mr. Smith has well remarked in the last edition of his *Theory of Moral Sentiments*) to imagine, that they can arrange the different members of a great society with as much ease as the hand arranges the different pieces upon a chess-board. They do not consider that the pieces upon the chess-board have no other principle of motion than that which the hand impresses upon them, but that in the great chess-board of human society every single piece has a principle of motion of its own altogether different from that which the Legislature might choose to impress upon it. If those two principles coincide and act in the same direction, the game of human society will go on easily and harmoniously, and is very likely to be happy and successful. If

they are opposite or different, the game will go on miserably, and the society must be at all times in the highest degree of disorder. Some general and even systematical idea of the perfection of policy and law (the same author continues) "may, no doubt, be necessary for directing the views of the statesman. But to insist upon establishing, and upon establishing all at once, and in spite of all opposition, everything which that idea may seem to require, must often be the highest degree of arrogance."*

These observations, while they serve to illustrate a distinction to which I have frequently referred, between what is *abstractly right* and *practically expedient*, will, if I am not mistaken, go a certain length in vindicating M. Necker's measures; or, at least, to show, that where they were erroneous, the error did not arise from their want of conformity to the general principles of Political Economy, but from their being carried into execution in a way which tended rather to augment than to allay the ferment in the public mind. On this subject, both he and his opponents seem to me to have gone into extremes; the one too much engrossed with the details of a particular administration to rise to the contemplation of general principles; the other blinded by their admiration of what is theoretically true to the obstacles which present themselves in the actual conduct of affairs.

In a paper published a good many years ago,† I have said of M. Necker's *Eloge on the Administration of Colbert*, "that although confined and erroneous in its general principles, it contains many important and just remarks of a practical nature." After all that I have read and heard of this celebrated man, I am still disposed to retain the same favourable sentiments of his character and of his talents, and even where I differ the most widely from his systematical views, not only to acknowledge the purity of his intentions, but to admire the extensive influence which his genius and virtues so long gave

* [Part VI. chap. ii. sect. 2, sixth and later editions.]

† [*Account of the Life and Writings of Adam Smith*, 1793, sect. iv.; *infra*, Vol. X. p. 64.]

him over the destiny of Europe. "Of his merits and measures as a statesman," says Mr. Gibbon in his *Memoirs*, "various opinions may be entertained; but all impartial men must agree in their esteem of his integrity and patriotism." At a later period, the same writer has said, in speaking of a visit which he paid to M. Necker in 1792, after his fall from power: "Of Necker I have really a much higher idea than I ever had before. In our domestic intimacy he cast away his gloom and reserve; I saw a great deal of his mind, and all that I saw was fair and worthy. He was overwhelmed by the hurricane; he mistook his way in the fog; but in such a perilous situation, I much doubt if any mortal could have seen or stood."

I have only to remark farther at present, that those who advised the measure of sending Necker into exile immediately after the opening of the National Assembly, have themselves to blame for those misfortunes which afterwards overwhelmed themselves and their country. Till that period nothing could exceed the popularity of the king; and this popularity was the most powerful engine which Necker had to employ for the government of the nation. It became henceforth manifest, that the king was either not sincerely disposed to carry into effect those plans of reform which he had led the people to expect; or that his good intentions were frustrated by some secret influence over his counsels. A breach took place between the Government and the people; a violent insurrection demolished the Bastile; the military caught the general enthusiasm; and when M. Necker, after an absence of three weeks, was prevailed on by the solicitation of the king to resume the reins of Government, he found the people completely instructed in the fatal secret of their own strength, and under the direction of demagogues too turbulent and ambitious to submit to the control of any higher authority. If he had consulted merely his own tranquillity and reputation, he would have refused to obey the summons which was thus extorted by necessity from the authors of his recent disgrace; and would have put it out of the power of malignant and unprincipled men to involve him

in any responsibility for events which from this moment no human wisdom could avert.

I shall make no apology for this short digression, which, I hope, is not altogether foreign to my subject, and from which I now return to the general argument concerning the legislation of grain.

In what I have hitherto said on the Inland Trade of Corn, I have considered chiefly in what manner an unlimited freedom operates as a *palliative* of the inconveniences of a dearth. I now proceed to observe that the same freedom is the best *preventive* of that calamity, by the encouragement it gives to an intermediate order of men between the grower and consumer, who contribute powerfully to the prosperity of the farmer, and to the increase of the annual produce.

I before said, that the ancient policy of Europe encouraged the popular *odium* against this beneficial trade, regulating thereby the Agricultural Commerce of the country by maxims essentially different from those which it established with regard to the Manufacturing Commerce of the towns. The Farmer was *obliged* to become a Corn Merchant, while the Manufacturer was, in many cases, *forbidden* to sell his goods by retail. The object of the one law was to make corn cheap; that of the other to encourage the business of shopkeepers. In both cases the means employed had an obvious tendency to restrain individuals in the employment of their capitals, while at the same time these means were altogether inadequate to the ends proposed. The manufacturer, though he had been allowed to keep a shop, and to sell his own goods by retail, could not have undersold the shopkeeper, for the capital placed in his shop must have been withdrawn from his manufacture, he must have had the profits of a manufacturer on one part of his capital, and those of a shopkeeper on the other. Though he might appear, therefore, to make a double profit on the same piece of goods, yet as these goods made successively a part of two distinct capitals, he made but a single profit upon the whole capital to which they furnished employment. For the

same reason the farmer could not afford to sell his corn cheaper than any other Corn Merchant would have been obliged to do in the case of a free competition.

The dealer who employs his whole stock in one branch of business, has an advantage similar to the workman whose labour is employed in a single operation. This division in the employment of stock was forced on faster than it would naturally have taken place by the law which prohibited the manufacturer from exercising the trade of a shopkeeper. The law which obliged the farmer to exercise the trade of a corn merchant, endeavoured to hinder it from going so fast. Both were *unjust*, but the latter was the most pernicious. It forced the farmer to divide his capital into two parts, of which one only could be employed in the cultivation of land, and consequently must have tended to obstruct improvement, and to raise the price of corn.

After the business of the farmer, that of the corn merchant, if properly protected, would contribute the most to the raising of corn. It would support the trade of the farmer in the same manner as the trade of the wholesale dealer supports that of the manufacturer. It would enable the farmers to keep their whole capitals constantly employed in cultivation, and in case of accidents, would secure them a friend in the wealthy corn merchant, to diminish their dependence on the forbearance of their landlords.

But I have already insisted longer than was necessary on this part of the subject, as the truth of the foregoing observations is, I believe, almost universally acknowledged in this part of the island, by all who, in their examination of the question, have formed their judgments on principles of justice, or of general expediency. The old popular prejudices, however, still maintain their ground among various descriptions of the community, and will probably continue to do so, till the memory of our former laws is gradually obliterated by those more enlightened ideas which Philosophy has disseminated, and which have been lately sanctioned by a unanimous decision of our Supreme Court. In the other part of the United Kingdom,

the progress of truth and of liberality does not appear, *in this instance at least*, to have been equally rapid. The following has been stated as part of an address to the Grand Jury at the Shropshire Assizes 1795, by a judge highly respectable for his private character, and eminently distinguished by his professional abilities:[1]—"Since I have been in this place, gentlemen, a report has reached me, (without foundation I sincerely hope,) that a set of private individuals are plundering at the expense of public happiness, by endeavouring, in this most abundant country, to purchase the grain now growing on the soil. For the sake of common humanity, I trust it is untrue. Gentlemen, you ought to be the combatants of this hydra-headed monster. It is peculiarly your duty to see justice done to the country. In your respective districts, as watchmen be on your guard. I am convinced from my knowledge of you, that I have no occasion to point out your duty in this case; and that although the Act of Edward VI. be repealed, (whether wisely or unwisely, I take not upon me to say,) yet it still remains an offence at common law, coeval with the constitution; and be assured, gentlemen, whoever is convicted before me, (and I believe I may answer for the rest of my brethren,) when the sword of justice is drawn, it shall not be sheathed until the full vengeance of the law is inflicted upon them: neither purse nor person shall prevent it."

In a cause tried before the Court of King's Bench, 7th June 1800, the same judge is said to have expressed himself as follows:—"I am confident that the public do suffer greatly by machinations, which the Legislature cannot perhaps prevent. This is a very serious subject. Our ancestors thought it wise, in aid of the common law of our land, to enact a statute against forestalling the articles of food. This statute has been thought good policy, from the time of Edward VI. down to our memory; but which was repealed, I know not why. Certainly those who repealed it thought they were acting wisely: at the same time, I rather think it might have appeared otherwise, upon

[1] Lord Kenyon.—See Ferguson's *Memorial*.

more mature deliberation. Men may form fine theories in their closets, but which men of a better knowledge of the world may know to be fallacious and delusive. A very eminent author published a very celebrated, and indeed an excellent work in many respects, the treatise *On the Wealth of Nations*, in which that ingenious author says, 'forestalling and regrating are no more to be dreaded than witchcraft.'* Another person of high character, with some flaws in it,[1] has since adopted that idea; and *he* was the man to whose exertion was owing the repeal of the statute of Edward against forestalling. Undoubtedly it would have been better if that statute had not been repealed. It is well the extent of the design in the repeal was not carried up to affect the common law of the land;—I wish the old statute to be re-enacted."[2]

What effect these doctrines have had in encouraging the common popular prejudices on this subject, we may judge from the following observations quoted literally from a Newspaper, which has a very extensive circulation in every part of this island.

"Next to the baneful influence of forestallers and regrators, we conceive the enormous farms held by individuals as one great cause of the present high price of provisions. They are a most intolerable evil, as they cause, in the first instance, the neglect of cultivation, and the unproductiveness of the land, while they enable the farmer to withhold his produce from the markets, and to speculate upon the distresses of the people. But if it be really desired to arrive at the root, and remedy this enormous evil, there can be no better device than a public register of the produce of the harvest in every parish of the kingdom, and a return of sales with the prices, the times, and the buyers' names. From Parishes, these registers should be sent and compared in the Hundreds, and from thence in the County Towns; and finally, the common aggregate return should be transmitted to the Secretary of State for the Home

* [Book IV. chap. v.; Vol. II. p. 309, tenth edition.]

[1] Mr. Burke.

[2] See the Newspapers of the above date.

Department. Hence, it would at once appear whether there existed scarcity, or the danger of it, and in what degree it was felt or to be apprehended: hence, it would be known what counties were able to succour others which stood in need of it: hence, importation would be encouraged in time if it were needful, by a general competition and a plain calculation; and hence would an enormous part of our capital, now employed only to oppress and starve the public, be driven into the channels of a just and profitable commerce. Perhaps our commercial principles have carried us quite far enough. If we are governed by our capital instead of governing it,—we have the words of Mr. Burke himself for it, who realized the doctrines of Smith,—that it is the greatest of all calamities. Had this extraordinary man survived, he would have been the first to repeal his own statute, and to restore the salutary laws which he abrogated.

"So far as regards the interference of authority with private property, we must observe, that individuals have only a qualified property in articles of general use and necessity. The whole corn of a province cannot belong to a private granary by any sale or conveyance whatsoever. He can have no right or title to lock up his warehouses while his fellow-creatures perish with hunger. The public safety supersedes every private privilege; and the first duty of a government is to feed its people. The whole corn of the kingdom in the first instance is the property of the grower; but it is a qualified property, for it is not to be withheld from the people. He has undertaken to sell as well as to grow, and to provide corn for the mechanic and the soldier, who clothe and defend him and his family. He has then no right to detain his stacks from the market, nor to extort a price equivalent to detention. A just and free competition would induce every grower to seek a priority of sale, in order to lay out his profits upon his farms; when in steps a third man, who buys it in his barns, in order to withhold it from the market. But what better right can this interloper have than the proprietor himself, from whom he purchased, who has committed to him the care of regulating prices, and

supplying with commodities that he does not produce? What pretence has he to interfere between the grower and the consumer? And if he has a pretence, how can Government want one, whose duty nay, whose first duty, is to fill the mouths of its subjects?"[1]—[But this doctrine was not unopposed.]

"For some time past, some creatures of some of our ministers have been attempting to direct the discontents of the public, at the high price of provisions, against various useful classes of the community, in order to withdraw the odium from themselves and their ruinous measures. They want to devote to execration those very men who feed the public, tossing them overboard without remorse, as a tub to the whale, which they feared might threaten themselves. In the course of this project the most senseless arguments, and, at the same time, the most dangerous principles, have been avowed. These Jacobins have had recourse to everything absurd, and everything wicked, which the economical system of Robespierre ever enacted. The law of the *maximum* is but a part of what our Jacobins would establish.

"One of their writers who has broached an infinite deal of inflammatory nonsense on these points, now complains of large farms as the cause of the scarcity. He proposes registers of produce, buyers and sellers, &c., to be kept in parishes, hundreds, and so forth, till they are transmitted to the Secretary of State's office. This is neither more nor less than to make the Secretary of State corn merchant general for the whole kingdom. These people tell us, likewise, of *qualified property* in articles of the first necessity, and so forth. We are tempted to think, that the fools who circulated such stuff are not quite aware of the extent to which their principles may justly be carried. If there be but a qualified property in corn, it is quite easy to show that there can only be a qualified property in that which raises corn,—*land*. Thus it is easy to prove, that large estates (more necessarily than large farms) are the cause of the scarcity, till the ignorant are at length convinced, by their false and absurd doctrines,

[1] From the *Star* for 4th August 1800; but at second hand, but from what original newspaper is not stated.

that it would be just to rob the Marquis of Buckingham of his property, and to establish an agrarian law, because large estates are not favourable to cultivation. We notice these consequences of the monstrous speculations sent abroad, merely to show certain persons that they should have a care how they venture, for a temporary purpose, to teach doctrines and to enact laws which are in the worst spirit of Jacobinism. If the rage for interfering with all sorts of trade in articles of food be continued, a check will be given to all enterprise and improvement in agriculture; we shall see revived the ridiculous restrictions which ignorance established in the ages of barbarism. It will then be seen whether these speculators can feed the nation with parchment and wax, and their paper regulations, after they have banished all industry, capital, and enterprise from those trades on which the supply of the market depends."[1]

From a late decision it would appear, that the rules of English law on this head are extended, by the judges, at present beyond the articles which constituted the necessaries of life when they were first introduced, to whatever articles have since come under that description, in consequence of the progress of luxury. During the last winter,* (according to the report of the newspapers,) a rule for a criminal information was granted in the Court of King's Bench against Samuel Ferrand Waddington, accused of monopolizing hops. On this occasion, it was stated by the counsel for the prosecution, that "buying hops on the poles is an offence against the common law of this land;" and, in support of this position, the authority of Lord Coke is quoted, who says, "it is against the common law of England to buy corn in sheaves, for that the market is thereby forestalled." Lord Coke adds, that "the forestaller should not be allowed to live in the habitations of mankind, being the oppressor of the poor, and the enemy of the community."

The opinion of one of the judges is thus reported:—"I am glad that this motion is made. I know an idea has prevailed

[1] From the *Morning Chronicle*, August, 1800.

* [1800? No reference for this case has been given.]

with regard to some modern Acts of Parliament, that by their enactments this practice has ceased to be an offence; that the old common law of the land with regard to forestalling and engrossing is at an end. This motion will correct a great deal of misconception upon that subject.—Certainly," he adds, "this continues to be an offence at common law."

For my own part, I am much inclined to agree with those authors who assert that no sort of monopoly can well be injurious to the public without the assistance of Government. "We have heard in England," says Mr. Young, "of attempts to monopolize hemp, alum, and cotton, and many other articles; speculations that ultimately have not proved to be beneficial, as they have always ended in the ruin of the projectors. But to monopolize any article of common and daily supply and consumption, *to a mischievous degree*, is absolutely impossible; and in truth the natural and obvious effect of this very unpopular trade is in the highest degree *useful* to the community; to take *from* the market a portion when the supply is large, and to restore it to the market when the supply is small, so as to level as much as possible the inequality of prices. Government cannot do this without erecting granaries; which we know from the experience of other parts of Europe, to be a system at once expensive and pernicious. It can only be accomplished effectually by that description of men, to whom the odious name of *monopolizer* is commonly applied." It is justly, however, observed by Mr. Young, that "in France the necessity for them is much greater than in England. In the former country, the prevalence of small farms emptying the whole crop into the markets in autumn, without making any reserve for summer; there is no possible remedy but many and great monopolizers, who are beneficial to the public exactly in proportion to their profits. But in a country like England, divided into large farms, such corn-dealers (though highly beneficial, as appears from Mr. Smith's reasonings,) are not equally essential. The farmers are rich enough to wait for their returns, and keep a reserve in stacks to be thrashed in summer;—the best of all methods," Mr. Young concludes, "of

keeping corn, and the only one in which it receives *no* damage."[1]

At the moment, indeed, when I now write, (June 1800,) a Bill is pending in Parliament, which, if it were to pass into a law, would establish a monopoly in this branch of commerce of a most dangerous and destructive nature. The object of the Bill is to incorporate certain persons, by the name of the *London Company for the Manufacture of Flour, Meal, and Bread.* The argument against it cannot be better stated than by copying part of "*The Resolutions published by the General Meeting of the Owners and Occupiers of Mills, and others concerned in the Flour Trade,*" in consequence of a unanimous agreement to oppose the Bill in question in all its stages.

"1. That in the confidence of the security which all the subjects of these realms enjoy alike under the laws, several millions of money have been embarked in the construction of mills, and in the manufacture of flour and meal; that these mills have of late years been greatly increased in number and capacity; that the canals by which the country is intersected have greatly facilitated and economized the circulation of grain; and that the number of persons engaged in this trade, unconnected with one another, dispersed over the whole kingdom, whose interests are constantly distinct, and even opposite, and the mediocrity of whose fortune obliges them to make rapid sales of an article which is in itself perishable, have given rise to a competition in the manufacture and sale of flour so wide, active, and incessant, as to give the best possible security to the public for a regular and ample supply at the most reasonable rate.

"2. That the Flour Trade has gradually grown up to its present perfect state by this open competition, derived from the freedom and security it has enjoyed; that from the abundance of mills, no obstruction by contrary winds, frosts, floods, droughts, or other accidents, has been found to interrupt a regular and ample supply; that no speculation, artifice, fraud, or combination, can now affect the markets, as the supplies come to the metropolis by so many channels, and from so

[1] [*Travels in France,*] pp. 480, 481, note; [not an exact quotation.]

many persons unknown to one another, that the wheat, by being purchased in small quantities, in different places, and in the most quiet and unconnected manner, is bought at the cheapest rate, the interest of the millers being the check between the grower and consumer for keeping down the prices, while the very great contention among the millers themselves serves to reduce the expense of the manufacture; so that the price of flour is almost invariably in the London market much under the proportionate rate of the price of mealing wheat.

"3. That the erection of one great corporate establishment, by Act of Parliament, with the enormous capital of £150,000 divided into 4800 shares, and which, in its progress, may be increased *ad infinitum*—the proprietors of which are to be absolved from all responsibility for their transactions, beyond the amount of their shares, may become the source of most serious calamity, and cannot possibly be productive of any benefit to the public.

"That it is called for by no proved or apparent necessity, since experience has shewn that the manufacture of flour, meal, and bread, may be satisfactorily carried on by men unconnected, and whose private fortunes are answerable to the community for their acts.

"That to grant a charter with exclusive privileges, to a numerous body of persons, who must confide in agents to carry on a trade which may be better conducted in an open manner by persons for the maintenance of themselves and families, would be inconsistent with the protection to which all tradesmen are entitled under the law, and by which they enjoy the fruits of their own labour, in return for the diligence, skill, and attention which they exert therein.

"That the first operation of this charter would be to annihilate all the small mills and bake-houses now dispersed over the town and country, by which not only great accommodation is given to the people in their vicinity, by the supply of offal for their domestic animals, and by a saving of time and fuel in the preparation of their victuals; but by which also the competi-

tion would be destroyed, which is the best security to the public, both for an ample supply at a reasonable rate, and for preventing all improper mixtures and adulteration of flour.

"That even if the views of the undertakers should be strictly adhered to, an establishment of such extent, and demanding at one spot such enormous weekly supplies, would necessarily govern the market. If all its stock should be purchased in London, it would frequently require to buy up the whole quantity exposed for sale, and must be at the mercy of the dealers as to price; or if it became its own importer, and drew its supplies from various quarters, it would take from the dealers all certainty of a sale in London, and would deprive the metropolis of a constant and regular corn-market.

"That if, in process of time, it should degenerate into a job, be left to a negligent direction, or be transferred to speculators, it might be productive of incalculable mischief to the metropolis, since being left in the Bill free from all restraints, (the objects of the institution even being undefined, except in the preamble,) tied down to no purpose, obliged to perform no one service, rendered perpetual as to duration, and the proprietors absolved from all responsibility in their transactions beyond £25 per share, they might enter into the most dangerous speculations, and create the most extensive and destructive monopoly; they might not merely dictate to the London Market, but intercept the transit of grain through the country. They might import quantities of foreign produce as substitutes for British wheat, to the injury of the national agriculture; and being relieved from all the checks of competition, and carrying on the joint trades of miller and baker under the same roof, they might impose any species of bread that they pleased upon the public at any price.

"That an establishment of so enormous a size, amassing under the eye of the people such a stock of grain, must in times of scarcity give rise to jealousies that would endanger its existence, after it had destroyed all the other sources of public supply; and finally, that it would be a most dangerous thing to trust to any one institution for so large a part of the sub-

sistence of the people, since experience has proved that no precaution is sufficient to prevent the almost momentary destruction of the most stupendous work.

"4. That the said Bill, so unprecedented in its nature, and which strikes in its principle at the foundation of all legal security for trade, be therefore opposed in all its stages; and that the mill-owners and occupiers in every part of the kingdom, whose interests are equally threatened thereby, and whom it is not proposed to indemnify for the destruction of their property, be called upon to meet in their respective districts, and to shew its infallible tendency in their local markets, which constantly take their tone from that of London; and, in the meantime, that they confide in the wisdom and prudence of the representatives of the people in Parliament, that a bill of such magnitude, and pregnant with such evils, will not be hurried through the house until time shall be given to the country to deliberate and declare their sense thereon."[1]

[1] "*London Flour Company.*"—"The Earl of Liverpool rose, he said, to move two or three clauses, with a view to satisfy the minds, and quiet the apprehensions of those who seemed to be alarmed at the idea of the Company having so long a term of duration, before they could be dissolved, as ten years; the first clause, therefore, that he should move, was a clause to enable his Majesty, with the advice of his Privy Council, to dissolve the said Company at six months' notice, whenever it should be made appear to him that they had abused their powers, or been guilty of practices injurious to the public; and to make room for that clause, he would previously move to leave out all the words of limitation, and to insert the clause he had drawn up in place of them.—Agreed to.

"The next clause his Lordship said he should move, went to put an end to the jealousy stated to prevail, lest the Company should become corn merchants and corn importers, which they themselves professed they had no intention or inclination of doing, and which, indeed, the very words of the Bill would be found not to warrant. As, however, it must be thought right that the Company should have a power to sell their damaged wheat, or wheat under particular circumstances, in the clause that he was about to move, the Company were restricted from selling more than 1000 quarters in any one week. His Lordship moved a clause to that effect, which was agreed to.

"The third clause which he meant to introduce, was to gratify the wishes of the bakers respecting the standard wheaten bread. His Lordship said it was a singular circumstance, that it was asserted that such bread was not suited to the taste of this vast metropolis, though speaking with respect to the common people, it was fitted for individuals from all the different provinces and counties in the kingdom, in many of which no other than household bread was ever tasted. Yet these very indivi-

[SUBSECT. II.]—*Of the Trade carried on by the Merchant Importer of Grain for Home Consumption.*

The beneficial tendency of this branch of the Corn-trade to the great body of the people in such a country as Great Britain, by increasing the immediate supply of the home market, would appear, at the first view, to be too obvious to stand in need of any illustration.

It has, however, been imagined by many, that this advantage is only apparent; [1°] that on the most favourable supposition, it is confined to manufacturers and the other classes who, living in towns, derive their supply of provisions from the country; while, in the same proportion, it is injurious to the cultivators of the land, both proprietors and farmers. Nay, [2°] it has been alleged, that even to the mercantile interest it

duals, if the fact were true as asserted, changed their taste on coming to town, and nothing, forsooth, but fine white bread could be relished by them, though according to the opinion of many judges, it was a worse and less wholesome bread than the brown bread. His Lordship said, however, as the assize of bread stood at present, the standard wheaten bread could not be made by the common baker, and therefore the bakers apprehended that the sale of brown bread near their shops would lessen their custom, as it would be substituted in lieu of their fine bread. He owned, he thought, there was some weight in this apprehension, though the effect of it would be trifling indeed, as he had seen from a variety of calculations upon the subject. He would, however, move a clause, enabling the bakers to make the standard wheaten or household bread, in the same manner as the Company were authorized to do by the Bill, by enabling the Magistrates to set an adequate assize thereon. This would add to the competition, and at the same time that the increased consumption of the household bread would lessen the consumption of the fine bread, as it would go farther, so would it, in a certain proportion, diminish the necessity for so large an importation of foreign wheat, which certainly was an object extremely desirable. Having thus explained the object of the clause, his Lordship moved it, and it was agreed to."

"The Earl of Liverpool said, he wished to say but a very few words: and first he declared, that after the fullest consideration of the Bill in every point of view, he was satisfied that the principle was right, and he trusted that under the provisions of the Bill and the clauses that he had moved, not only that all alarm and apprehension of danger from it would be set at rest, but that the effect of the measure would be found to be what the gentlemen who projected sincerely meant it to be, of great use and advantage to the public. He would therefore move that the Bill be read a third time, The Bill was read a third time, passed, and ordered to be sent down to the Commons, with the amendments."—[Cut from a Newspaper, but no reference given.]

must be prejudicial in the end, by the discouragement it gives to that home agriculture from which the only regular and steady supply of the market can be expected.

With respect to the *first* of these objections, founded on the supposed injury which a freedom of importation does to the cultivators of the land, it is of great importance to remark, that although it may lower somewhat the average *money* price of corn, it cannot possibly operate to diminish its *real* value, or the quantity of labour which it is capable of maintaining. "If importation was at all times free, our farmers and country gentlemen would probably, one year with another, get less money for their corn than they do at present, when importation is, in general, virtually prohibited; but the money which they got would be of more value, would buy more goods of all other kinds, and would employ more labour. And, of consequence, their *real* wealth would be the same as at present, although it might be expressed by a smaller quantity of silver."*

In proof of this position, it is only necessary to refer to what Mr. Smith has so ingeniously and satisfactorily established concerning the effect of the money price of corn in regulating that of all other commodities.

"It regulates the money price of labour, which must be always such as to enable the labourer to purchase a quantity of corn sufficient to maintain him and his family, either in the liberal, moderate, or scanty manner in which the advancing, stationary, or declining circumstances of the society oblige his employers to maintain him.

"It regulates the money price of all the other parts of the rude produce of land, which, in every period of improvement, must bear a certain proportion to that of corn, though the proportion is different in different periods. It regulates, for example, the money price of grass and hay, of butchers' meat, of horses, and the maintenance of horses, of land carriage consequently, or of the greater part of the inland commerce of the country.

"By regulating the money price of all the other parts of the

* [*Wealth of Nations*, Book IV. chap. v.; Vol. II. p. 311, tenth edition.]

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rude produce of land, it regulates that of the materials of all manufactures. By regulating the money price of labour, it regulates that of manufacturing arts and industry; and by regulating both, it regulates that of the complete manufacturer. The money price of labour, and of everything that is the produce either of land or labour, must necessarily either rise or fall in proportion to the money price of corn."*

It appears, therefore, that although in consequence of a free importation the average money price of corn should fall, neither the circumstances of the farmer, nor those of the landlord, would be in the smallest degree hurt by the change.

On the other hand, it is abundantly manifest, that a free importation of corn, accompanied with a freedom of exportation, is the only effectual expedient for preventing those fluctuations in the money price of this article which take place under the present system. And it is surely more beneficial, both to the landed and commercial interests,[1] that corn should be always at a steady and medium price, than that it should sometimes greatly exceed, and at other times fall greatly below that medium.

The steadiness in the money price of corn is beneficial to the *landed interest;* for, as the prices of labour and manufactures are regulated by the price of corn, the first would soon become uniform if the last were rendered so; and the value of corn would thereby be ascertained by a steady medium price of labour, instead of a money price subject to perpetual variations.

The same steadiness is for the interest of the manufacturers, as it prevents equally that poverty and distress to which their workmen are subject in dear years; and that dissipation and idleness which are the consequences of an extraordinary plenty.

At present, however, we shall confine ourselves to the freedom of *importation*, with respect to which it may be laid down as a self-evident proposition, that to prohibit the importation

* [*Wealth of Nations*, Book IV. chap. v.; Vol. II. pp. 268, 269, tenth edition.]

[1] *Report of the Committee of the Town-Council of Glasgow on the Corn Bill*, &c. &c., 1791.

of corn, when it is at such a price as to disable a part of the community from buying a sufficiency, is to increase the misery of the poor, in order to add to the *nominal* opulence of the rich. In truth, a measure of this sort, adopted with a view to raise the price, is nearly the same as prohibiting the improvement of land, and consequent multiplication of the means of subsistence, in order to serve the owners of those lands that cannot be farther improved, or converting the half of the kingdom into a forest, in order to serve the proprietors of the other half.

There are strong reasons for believing, that a considerable part of the people in Great Britain are obliged to content themselves with a very scanty allowance of food when the prices are far below what admits of importation;[1] and that as corn turns dearer, a greater and greater number must lessen their quantity. Indeed, if after a deficient crop, the whole people continued to subsist in the same liberal manner as in a year of plenty, provisions would rise beyond all bounds. The fact however is, that as provisions advance in price, more and more people lessen their allowance and give up the competition; and thus prevent prices from rising in proportion to the deficiency. It is owing to this that the price of butcher meat seldom varies above a half, while bread is often double or triple of its ordinary price. As the former article is a sort of luxury, the competition for it is sooner given up by the lower classes; whereas bread must be had by every person, though in small quantities, whatever the price may be. Hence, too, it happens, that in poor countries butcher meat is generally cheapest when corn is high, the lower classes not being then able to purchase any; and that in London, where the richness of the inhabitants keeps up the competition, the variation in the price of butcher meat is much greater than in the remote provinces.

The inference which I draw from these considerations is, that the variations in the price of corn, however great, are not always such as might be expected from the difference between a plentiful and a deficient crop; that, on the one hand, a very great rise of price may be occasioned by a very trifling deficiency

[1] See *Dawson's Thoughts*, &c.

in the harvest, accompanied with a general alarm; and, on the other hand, that there is reason for believing that numbers of people in Great Britain are sometimes obliged to put themselves on short allowance long before corn has risen to that rate which permits importation.

Let us now consider what effect a freedom of importation is likely to have on the agriculture of the country.

It has been already shewn, that in proportion as the money price of corn falls, the real value of silver rises, and that this must necessarily lower somewhat the money price of all commodities, so as to give the industry of the country, where it takes place, some advantage in all foreign markets. The tendency, therefore, of this fall in the money price of corn, is, so far, to encourage and increase that industry. It is evident, also, that the extent of the home market for corn (which, as was formerly observed, is, in every country, by far the most extensive and important market for that commodity,) must be in proportion to the general industry of the country where it grows, or to the number of those who are employed in producing something else, which they may give in exchange for this great necessary of life. That rise, therefore, in the real value of silver, which is the effect of lowering the average money price of corn, tends to enlarge the most extensive market for corn, and thereby to encourage instead of discouraging its growth. It encourages cultivation in the most effectual of all ways, by increasing the number of inhabitants upon the land, or, in other words, by providing customers to buy the produce at home, free of the expense of carriage, and who can furnish the proprietors with the manufactures which they may want, also free of this expense. Even the *money* income of the farmer (and, of consequence, the rents of the landlord) may, in this way, rise instead of falling, as the greatness of the quantity which he sells may do more than compensate, in point of pecuniary profit, the reduction in the price.

Nor is this the only circumstance that may operate in favour of the money income of the farmer and landlord, while the nominal price of corn is lowered; for, in so far as this reduc-

tion of price increases manufactures and population, it must raise the price of other productions of the land, which cannot be imported from foreign countries, such as butcher meat, poultry, milk, grass, hay, and various other articles.

This position does not rest upon theory only; it is abundantly confirmed by experience.[1] It is well known, that every district where manufactures are established, must import the means of subsistence from those where there are no manufactures. And yet it will be admitted that land gives a higher rent, and is better cultivated, and people live better and are richer in manufacturing districts than in the less populous parts of the country; that is, the advantages are on the side of the districts which import, not on those which export; and, in like manner, in Holland, which imports the means of subsistence from every quarter of the world, the land gives a higher rent, and is better cultivated, and the people, how precarious soever the foundation of their *National* wealth, are *individually* richer than in any country of Europe.*

The rise in the rent of land in manufacturing countries, and also in the neighbourhood of towns, is not owing to the rise of corn, which is the greatest article of the labourer's food, nor to the rise of wool, leather, wood, &c., which are the articles most needed for his clothing and conveniences. All these can be imported at a small expense; and none of them are much dearer in London, where they are all imported, than in the remote provinces. But the rise of rent, in the circumstances just stated, is owing to the demand for articles which it is impossible to import, and for some that cannot be imported but at a great expense,—for milk, garden stuffs, hay, straw, grass, for riding and carriage horses, poultry, lamb, veal, &c. Most of these articles are used by the higher classes, and their high prices do not affect the poor. They add to the money income of the farmer and landlord, without occasioning any inconvenience to

[1] Dawson's *Thoughts*, &c. See also *Report of the Town-Council of Glasgow*, [*on the Corn Bill*, 1791,] pp. 7, 8,—(both very confused on this head.)

* [See Joseph Scaliger's Epigram, *De Mirandis Batavicæ*, *supra*, *Political Economy*, Vol. I. (*Works*, Vol. VIII.) p. 284.]

the labouring classes. And (on the supposition that a perfect freedom of importation were established) the same effect would be produced, in some degree, over the country at large, by that rise in various articles of rude produce, which would be a necessary consequence of thriving manufactures.

If a free importation of corn had been allowed from the first settling of America, it is difficult to say what effects it might not have produced on the population and wealth of Great Britain. The Americans would thus have been induced to cultivate more and more land, and to produce more and more food and materials for manufactures, to supply the wants of the increasing numbers of people that have no land at home. The restraints on importation, which in times of moderate plenty amount to a prohibition, discourage the attempts of under-peopled countries to supply our deficiencies; for no cultivator will raise provisions for a market that may not be open for several years. Hence, even in America where land is so plentiful, they only cultivate so much as is necessary to supply the demand at home, and the *common* demand from Europe, but not for any extraordinary demand from such a nation as Britain, where the liberty of importation depends on contingencies which cannot be subjected to any calculation.

As I have made frequent references in the course of the foregoing argument to our own country, I ought perhaps to have taken an earlier opportunity of mentioning the state of our existing laws on the subject of importation. But I was unwilling to interrupt the general reasoning with local details; and it appeared to me more advisable to delay any historical statements that I had to offer with respect to particular systems of policy, till I had concluded what I had to say on the general principles by which they ought to be regulated. In the meantime, it may be proper to take notice of a few facts to which I have already had occasion to refer in the way of illustration, and of which a short statement may perhaps throw additional light on some of the preceding conclusions.

"By the 22d of Charles II. c. 13, the importation of wheat, whenever the price in the home market did not exceed fifty-

three shillings and fourpence the quarter, was subjected to a duty of sixteen shillings the quarter, and to a duty of eight shillings whenever the price did not exceed four pounds. The former of these two prices has, for more than a century past, taken place only in times of very great scarcity, and the latter has not taken place at all. Yet till wheat had risen above this latter price, it was by this statute subjected to a very high duty; and till it had risen to the former, to a duty which amounted to a prohibition. The importation of other sorts of grain was restrained by duties proportionally high.

"The distress which in years of scarcity the strict execution of this statute might have brought upon the people, would probably have been very great. But upon such occasions its execution was generally suspended by temporary statutes, which permitted, for a limited time, the importation of foreign corn. The necessity of these temporary statutes sufficiently demonstrated the impropriety of this general one."*

Notwithstanding, however, the inconsistency of this statute with the genuine principles of Political Economy, Mr. Smith acknowledges its necessity as a counterpart to the law which establishes a bounty on exportation. "If when wheat was either below forty-eight shillings the quarter, or not much above it, foreign corn could have been imported either duty free, or upon paying only a small duty, it might have been exported again with the benefit of the bounty, to the great loss of the public revenue, and to the entire perversion of the institution, of which the object was to extend the market for the home growth, not that for the growth of foreign countries." . . . . "The restraints on importation, indeed, were prior to the establishment of the bounty, but they were plainly dictated by the same spirit, and by the same principles which afterwards enacted that regulation."†

(*Interpolation from Notes.*)—It now only remains, before concluding this branch of our subject, to mention two miscel-

* [*Wealth of Nations*, Book IV. chap. v.; Vol. II. pp. 312, 313, tenth edition.]
† [Ibid. p. 313.]

laneous particulars connected with it, which could not properly be introduced sooner.

I before remarked, how very inconsiderable the trade of the importer, and indeed of all the departments of the commerce of corn is, when compared with that which circulates the home produce in an extensive agricultural country like ours. According to the author of the *Corn Tracts*, the average proportion of all kinds of grain imported to those consumed, did not, in this country, exceed that of 1 to 570; and the average quantity of all sorts of grain exported, did not exceed the one-and-thirtieth part of the annual produce, even in the highest year ever known, 1750, when the exports amounted to 1,500,220 quarters.* Since the publication, indeed, of that valuable work, the circumstances of this country have undergone very material changes. But still the quantities of grain imported, how astonishing soever in their comparative extent they may be, and however creditable to the commercial enterprise of this country, bear but a small proportion to the quantities required for consumption. Even in the year 1800, when our importations were made at an expense of £15,000,000, these did not, according to a computation of the national consumption published in the *Farmers' Magazine*, exceed one-sixth part of the whole supply; and according to the statements of Mr. Benjamin Bell,† did not exceed an eighteenth. And yet it is not many years since it was the general belief, that our importations had risen to a third or a fourth of the annual consumption, and in some instances even to a half. It may be worth while to add, that these estimates of our expenditure during the year 1801, turn out to be below its real amount; for it was expressly stated by Mr. Pitt, in arguing that the Bank of England ought to pay in specie, (7th February 1803,) that £20,000,000 sterling had been sent out of the country to purchase corn during the preceding scarcity.

The first writer who undeceived the public with regard to the amount of our importations, was the ingenious author of

* [Pp. 144, 145, edit. 1766.]

† [See above, *Political Economy*, Vol. I. (*Works*, Vol. VIII.) p. 202.]

the *Corn Tracts*, [1758, &c.;] and much additional information on the same subject, brought up to the year 1801, may be found in the pamphlets published some time ago by Lord Sheffield* and Sir Thomas Turton.† Inconsiderable, however, as our importations are, compared with the demands of our population, they afford the most striking illustration of the commercial resources of this country.

It appears from Sir Thomas Turton's pamphlet, that it was against this description of traders that the outcry was most violent during the time of the London disturbances; a memorable example of the inconsistencies and absurdities into which the multitude may be betrayed by ill-intentioned men when under the pressure of want. For a refutation of the prejudice, I refer to what Sir Thomas Turton has written with excellent good sense on the subject.

With respect to the countries from which these importations were obtained, I cannot now enter into any particulars. I shall just remark, therefore, that among the great granaries from which they are derived, the best are those of the North of Europe: Poland, Prussia, Russia, and Denmark, particularly the two former. A small quantity of corn, chiefly in the state of flour, was brought from Canada and the American States. With regard to the last of these, we are informed by Lord Sheffield, that part of the tobacco grounds in Virginia now produce wheat, but that Pennsylvania, which formerly raised a surplus for exportation, now grows hardly sufficient for its own consumption. We have but once imported grain from Africa; that was in the year 1796, when 30,000 quarters of corn were brought from the neighbourhood of the Cape of Good Hope. The quality of this grain was such, however, that great part of it is understood to have been re-exported. None has been imported from any part of the Mediterranean, in consequence of the regulations to prevent the introduction of the plague into this country.—(*End of interpolation from Notes.*)

* [*Remarks on the Deficiency of Grain occasioned by the Bad Harvest*, 1799, 1800.]

† [*An Address to the Good Sense and Candour of the People in behalf of the Dealers in Corn*, &c., 1800.]

[SUBSECT. III.]—*Of the Trade carried on by the Merchant Exporter of Corn for Foreign Consumption.*

That this trade does not contribute *directly* to the plentiful supply of the home market is abundantly evident. Its influence, however, is not the less real, that the process by which it operates is indirect and circuitous.

The supply of the home market can never be plentiful, unless the surplus can, in all ordinary cases, be exported; a prohibition to export necessarily limiting the improvement and cultivation of the country, to what the consumption of its own inhabitants requires. The freedom of exportation enables it to extend cultivation for the supply of foreign nations.*

The effectual encouragement which a free exportation gives to agriculture, and of consequence its indirect tendency in process of time to reduce prices, are well illustrated by an anecdote mentioned by the author [Charles Smith] of the *Three Corn Tracts*, on the authority of a friend who was an eye-witness of the facts.[1]

"In Turkey, the Grand Vizier, about twenty or thirty years ago,"—the *Corn Tracts*, I believe, were first published [at London] in the year 1758,—"suffered a more general exportation of corn to be carried on, and more openly than any of his predecessors had done, insomuch that three hundred French vessels, from twenty to two hundred tons, were, on one day, seen to enter Smyrna Bay to load corn, and wheat was then sold for less than seventeenpence, English, a bushel, with all the expenses in putting the same on board, included.

"From these open proceedings the Janizaries and people took the alarm, pretending that all the corn was going to be exported, and that they, in consequence, must be starved; and in Constantinople grew so mutinous, that they could not be appeased till the Vizier was strangled, and his body thrown out to them.

* [*Wealth of Nations*, Book IV. chap. v.; Vol. II. p. 313, *seq.*, tenth edition.]

[1] P. 33.—[Lond. ed. 1766; p. 29, Edin. ed. 1758.]

"His successor took particular care not to split on the same rock, and would suffer no exportation at all; many of the farmers, who looked on the exportation as their greatest demand, neglected tillage, to save their rents, which in that country are paid either in kind, or in proportion to their crops, to such a degree, that in less than three years the same quantity of corn which, in time of export, sold for not quite seventeenpence, was worth more than six shillings, and the distresses of the people in Smyrna were such, that every bake-house and magazine of corn was obliged to have a military guard, which took care that no one person should have more than a fixed quantity; and so strictly was this order observed, that an English ship, in the Turkey trade, was detained for sailing some time for want of bread.

"The ill consequences of these proceedings were not removed in many years, and to this day the fate of the Vizier, as an unfortunate good man, is lamented."

(*Interpolation from Notes.*)—In such small states as those of Italy or Switzerland, an unlimited exportation might perhaps be attended with danger, though even there it may be questioned whether this would be the case, were it not for the extraordinary demand from other countries, occasioned by their absurd regulations with respect to the Corn-trade. In such agricultural regions as Great Britain and France, exportation can never furnish a ground for any serious alarm. To a case of absolute necessity, indeed, if such case should ever occur, all other considerations must of course give way. But it is only in such a case that the statesman can have any apology to plead for violating that sacred principle of justice, which entitles the farmer, like any other merchant, to send his commodity to the most profitable market. In our own country, however, the general tendency of our regulations has plainly been to increase agriculture, by not only permitting exportation, but by rewarding it with a bounty when prices are low, checking, at the same time, the importation of corn by heavy duties; and, on the other hand, to prevent a scarcity, by prohi-

biting exportation when prices are high, and allowing importation at an easy duty. Of our regulations on this subject, the last permanent one was that of 1791, by which the whole maritime part of England was divided into twelve districts, for the purpose of regulating the imports and exports of corn, and the various rates of duties; the maritime part of Scotland being in like manner divided into four districts, making in all sixteen. This statute further enacted, that the exportation and importation of corn at the port of London should be regulated by the prices at the Corn Exchange, and that an inspector of corn returns should be appointed.

Notwithstanding the strong and obvious objections to which these very complicated arrangements are liable, few legislative acts have received higher panegyrics from a particular description of writers than the Corn Act of 1791. "All the elaboration of diligence," says Mr. George Chalmers, (who, by the way, is understood to have had a chief share in preparing the statute,) "and all the wisdom of experience, were employed in forming this Corn Act."* And yet the same writer acknowledges in the last edition of his *Political Estimate*, that "a continued succession of unfavourable seasons had rendered nugatory its judicious enactments."†

Without entering into any statement of details on this particular subject, I shall mention only the very striking contrast which our policy of late presents to what it formerly was; forcing importation into an island from which exportation was so long rewarded with a premium. In consequence of a change in our national circumstances, which I shall not here stop to investigate, those considerations which influenced the Legislature at the period when the bounty was first established no longer exist; and the apprehensions lest our landed gentlemen and farmers should lose by a superabundant produce, have been converted into an alarm lest they should be undersold in our own markets by foreign farmers, cultivating their lands at a smaller expense. Though, however, this change of circumstances renders the laws relating to exportation of less interest

* [*Political Estimate*, Chap. xii. p. 264, edit. 1812.] † [Ibid.]

than they formerly were, a history of them, and the inquiries with which they are connected, must be at all times interesting. I therefore shall make no apology for stating a few facts and observations relative to a branch of trade which has given rise to so much discussion, both at home and abroad.

The idea of rewarding exportation with a bounty, seems first to have occurred during the reign of Charles II., although it has been very generally referred to a period somewhat later, (12th Charles II., 15th Charles II., and 25th Charles II.) By the 1st William and Mary, the bounties on the several sorts of grain were established on the same footing on which they subsisted till the year 1773. Dr. Campbell in his *Political Survey of Great Britain*, says, that "though this statute is generally considered as the first Bounty Act, the regulations which it contains are the very same with those of the 25th Charles II."* Its evident design was to raise the price of corn, which, indeed, is expressly stated in the Act to be too low; and it is commonly understood to have been passed as a return to the landed interest, for their exertions in placing the crown on the head of King William. As the bounty, too, was confined to corn exported in English ships, it operated in increasing the shipping and sailors of the country; and, in fact, while the exportation continued, gave employment, from the quantity and bulk of corn, to a much greater number of vessels than any other trade. In conformity with this last view of the Bounty Act, the Abbé Galiani, who is sometimes disposed, like many other foreigners, to discover reasons of remote expediency for English enactments, which really did not influence the Legislature, says, that it was to encourage our shipping that this Act was passed.

The high price of corn in 1751, occasioned much tumult and riot in different parts of the island, and gave a new turn to the speculations of the politician on this department of trade, particularly with regard to the expediency of the bounty. The popular clamour became still louder in the years 1765, 1766, and 1767; and in every instance of dearth, these disturbances

* [Book II. chap. iii.; Vol. II. p. 67, footnote.]

have gone on increasing in violence to the present times. Two remarkable alterations of our law in this matter deserve particular notice. The first of these is the Act 1773, which was conducted through the House of Commons by Mr. Burke. With respect to this Act, it has been justly observed, that it effected a virtual repeal of the Bounty Act, though it retained the language of that statute, in compliance with the prevailing opinions, which it is sometimes easier to betray than to conquer. It has accordingly been pronounced by Mr. Smith, in conformity with his own system, to be like the laws of Solon, if not the best in itself, the best which the temper and situation of the times would admit. The second of these Acts, the Corn Bill of 1804, plainly implies a dereliction of those general principles which influenced the Legislature in passing the Act 1773.

The policy of the statute encouraging exportation by a bounty, has been the subject of so much controversy since the year 1751, that I shall enter very slightly into the discussion, more especially, as the actual circumstances of the country now render it of comparatively little importance. It is highly extolled by the French Economists, by the author of the *Tracts on the Corn-trade*, by Mr. Arthur Young, and by Mr. Dirom. Mr. [Adam] Smith has exerted great ingenuity on the other side of the question, and has found a very able supporter in Mr. Howlett,* who, after having yielded to the prevailing opinions concerning its expediency, confesses himself a complete proselyte to the doctrines of Mr. Smith. An examination of the reasonings of this part of the *Wealth of Nations* will be found in Dr. Anderson's *Observations on the Means of Promoting National Industry*, in the *Supplement* to Mr. Dirom's *Inquiry*, by Mr. Mackie of Ormiston, and in the last two editions of the *Essay on Population* by Mr. Malthus, [1803 and 1806.] This last author is by far the ablest advocate for the bounty who has appeared since the publication of the *Wealth of Nations*; and although I am by no means prepared to adopt implicitly his own conclusion in favour of the wisdom of the measure, yet I think it must be admitted, that

* [*Dispersion of the Gloomy Apprehensions*, &c., 1797, p. 37, *seq.*]

he has clearly pointed out more than one vulnerable part of Mr. Smith's argument. Some of his objections to Mr. Smith have been acutely controverted in an able article of the *Edinburgh Review* for October 1804. But admitting in the fullest extent the ingenuity of these reasonings, they do not appear to me to amount to a complete justification of Mr. Smith for arguing, so entirely as he has done, on abstract principles, a question which is complicated with so great a variety of local and temporary circumstances, as that which relates to the policy of the bounty. The other two writers on the same side, Mr. Dirom and Mr. Mackie, are far less formidable antagonists of the bounty system; and they have both of them, particularly the latter, fallen into some very palpable misapprehensions of Mr. Smith's meaning. But neither of them seems to deserve the very contemptuous language which has been employed towards them by their adversaries; nor are they unworthy of the attention of those who wish to have a full view of this question.

In proof of the beneficial effects of the bounty on exportation, it has been urged, that since the period of the Bounty Act there has been at once a greater uniformity in the prices of wheat and other grain, and a reduction in the average price; the general and regular improvement of agriculture which has been the consequence of this artificial enlargement of the market, having been more than sufficient to counterbalance that enhancement of price, which in years of plenty is necessarily occasioned by the increased exportation. The fact unquestionably is, that since the establishment of the bounty, during the remainder of the seventeenth, and the first sixty-four years of the last century, the average price of grain has continued to fall, and that probably to a much greater extent than is commonly imagined, the depreciation of money not having been always sufficiently attended to in estimating that reduction.

On this important fact, however, all parties are agreed, and whatever conclusion we may form with regard to its cause, it seems to establish incontestably one general proposition, that the prosperity of agriculture depends much more on the steadi-

ness of an adequate price, than upon the high amount of the average price computed during any inconsiderable period of time. On the other hand, that this reduction in the price of corn has not been the consequence of that legislative measure, has been inferred by different writers from the following circumstances;—that the very same effect has taken place in France, where no bounties are given, but where, on the contrary, during by far the greater part of the period in question, exportation has been prevented by the strictest prohibitions; and that a similar reduction of prices during the eighteenth century, appears to have taken place in the other markets of Europe.

The argument against the bounty urged by Mr. Smith, is founded on those general principles of freedom which characterized his system. "Bounties upon the exportation of any home-made commodity are liable, *first*, to that general objection which may be made to all the different expedients of the mercantile system,—the objection of forcing some part of the industry of the country into a channel that is less advantageous than that in which it would run of its own accord; and, *secondly*, to the particular objection of forcing it, not only into a channel that is less advantageous, but into one that is actually disadvantageous; the trade which cannot be carried on but by means of a bounty being necessarily a losing trade. The bounty upon the exportation of corn is liable to this further objection, that it can in no respect promote the raising of that particular commodity, of which it was meant to encourage the production."*

On a review of the arguments alleged on both sides of the question, Mr. Smith is led to conclude, "that the fall in the price of corn during the first half of the eighteenth century, must have happened in spite of the bounty, and cannot possibly have happened in consequence of it."† And of his reasonings on this subject, an unqualified approbation has lately been expressed by Mr. George Chalmers, an author who is not in general much disposed to be partial to any of Mr. Smith's opinions.

* [*Wealth of Nations*, Book IV. chap. v. p. 278, *seq.*, tenth edition.]

† [Ibid. p. 264.]

"Now these facts not only confirm the reasonings of Smith and Howlett, but evince that the bounty went directly from the pockets of the consumers into the purses of the brokers, yet without benefiting the growers. From the first establishment of the bounty till its recent cessation, owing to natural causes, upwards of *seven millions* of money have been paid by the public, not for a *good* purpose, but for a *bad* purpose. It has, moreover, created a continued contest, by a struggle between avarice and want. And, to the scandal of the better judgment of the nation, a *probable good* has been allowed for more than a century to outface two *positive evils:* the *probable good* was the supposed fructification of our fields: the two *positive evils* were the payment of *seven millions* of money, for making corn dearer in the home market, without contributing to the manurance of the soil."*

For my own part, although I would not be understood to express any decided opinion in opposition to Mr. Smith's conclusion concerning the impolicy of the bounty, and far less to acquiesce in the opinion of those who think, that in the present circumstances of this country, any artificial expedient of this sort is calculated to operate very effectually in invigorating our agricultural industry, I must own, that there are some steps of his reasonings which do not convey full satisfaction to my mind. That, in general, the Corn-laws of this country have contributed less to the advantage of the grower than to that of the trader in that article, I am induced to believe from a variety of considerations; and if it should appear that this observation applies in all its extent to the law which established the bounty, certainly the very strong terms in which Mr. Smith has censured that measure are in no respect reprehensible. But it does not seem fair reasoning to oppose to a measure of this kind the unqualified argument against bounties in general, that they force some part of the capital of a country into a disadvantageous employment. This principle, certainly, does not apply fully to the trade of corn, on account of the essential pre-eminence of agriculture over all other species of

* [*Political Estimate*, Chap. xii., p. 259, *seq.*, edition, 1812.]

industry, and the fatal consequences which are inseparable from its decline. Mr. Smith himself owns, that agriculture labours in this country under disadvantages peculiar to itself; in consequence of which, a much smaller proportion of the national capital is attracted to that employment of industry, than would be under a more perfect system of Political Economy. If it could be proved, therefore, that the bounty tends to the encouragement of agriculture, the argument in its favour would, in my apprehension, be complete on the same sound principle on which Mr. Smith himself justifies drawbacks, as tending not to destroy the natural course of things, but to counteract those causes by which that natural course is disturbed. To those who reflect on the circumstances by which agriculture is essentially distinguished from all the other employments of industry, these observations cannot fail to appear with much additional force.

As far as I am able to judge, the general interests of all the different parts of the world would be best attained by leaving the trade of corn perfectly open,—supposing that the liberty of commerce were established in every other instance, and of consequence, that agriculture were free from the influence of those laws which give a preference to the industry of the towns over that of the country. But in the present state of Great Britain, whatever regulations can be proved to be really serviceable to the cultivator of the ground, cannot, in my opinion, be censured as deviations from the general principles of freedom, as long as this most important of all employments labours under so many burdens, inseparable perhaps from the constitution of modern society. It gives me much pleasure to observe the coincidence between these remarks and the following passage, which occurs in a new edition of Mr. Malthus's *Essay*:—

"If things had been left to take their natural course, there is no reason to think that the commercial part of the society would have increased beyond the surplus produce of the cultivators; but the high profits of commerce from monopolies, and other peculiar encouragements, have altered this natural course of things; and the body politic is in an artificial, and

in some degrees diseased state, with one of its principal members out of proportion to the rest. Almost all medicine is in itself bad, and one of the great evils of illness is the necessity of taking it. No person can well be more averse to medicine in the Animal Economy, or to a system of expedients in Political Economy, than myself; but in the present state of the country something of the kind may be necessary to prevent greater evils. It is a matter of very little comparative importance, whether we are fully supplied with broadcloths, linens, and muslins, or even with tea, sugar, and coffee; and no rational politician, therefore, would think of proposing a bounty upon such commodities. But it is certainly a matter of the highest importance, whether we are fully supplied with food, and if a bounty would produce such a supply, the most liberal political economist might be justified in proposing it, considering food as a commodity distinct from all others, and pre-eminently valuable."*

To the same purpose, this author elsewhere observes, that, "if throughout the commercial world every kind of trade were perfectly free, one should undoubtedly feel the greatest reluctance in proposing any interruption to such a system of general liberty; and indeed, under such circumstances, agriculture would not need peculiar encouragements. But under the present universal prevalence of the commercial system, with all its different expedients of encouragement and restraint, it is folly to except from our attention the great manufacture of corn which supports all the rest. The high duties paid on the importation of foreign manufactures are so direct an encouragement to the manufacturing part of the society, that nothing but some encouragement of the same kind can place the manufacturers and cultivators of this country on a fair footing. Any system of encouragement, therefore, which might be found necessary for the commerce of grain, would evidently be owing to the prior encouragements which had been given to manufactures. If all be free, I have nothing to say; but if we protect and encourage, it seems to be folly not to encourage that

* [*On Population*, Book III. chap. ix.; Vol. II. p. 235, *seq.*, third edition, 1806.]

production which of all others is the most important and valuable."*

While, however, I acquiesce in the general spirit of these observations, and consider them as a complete answer to Mr. Smith's reasonings against the bounty, in so far as these reasonings are founded on those abstract principles which conclude universally in favour of a free trade, I am by no means so sanguine as Mr. Malthus and the other advocates of the bounty, when they lay any considerable stress on this or any other artificial expedient, as a remedy against the present acknowledged disorder in our agricultural resources. I would not go quite so far as Mr. Howlett had done, and question, "whether the Corn Laws have occasioned one single acre to be cultivated which would not have been done if they had not existed."† But I am fully satisfied that the influence of all legal regulations with regard to the importation and exportation of grain is perfectly trifling, when compared with the permanent and overbearing influence of the state of agriculture in the country. The actual disproportion in this country between the produce and the consumption, is an evil of too great magnitude to be corrected by a feeble palliative of this sort; and one of its worst consequences is to withdraw the attention of statesmen from those just and enlarged principles of freedom, by the gradual operation of which alone a remedy can be provided for such an evil. What these principles are, I have already, in different parts of this course, had occasion to point out.

[SUBSECT. IV.]—*Of the Trade of the Merchant Carrier or Importer of Corn for future Exportation.*

The last branch of the corn-trade mentioned by Mr. Smith, is that of the merchant carrier, or importer of foreign corn, in order to export it again. Mr. Smith despatches this branch of the subject in a very few sentences, and I have nothing to add to what he has advanced with regard to it.—(*End of interpolation from Notes.*)

* [Ibid. Book III. chap. x.; Vol. II. p. 272, *seq.*, third edition.]

† [*Dispersion*, &c., p. 38.]

[SUBSECT. V.]—*Miscellaneous Observations upon the Corn-Trade.*

The reasonings which have been already stated on the subject of the Corn-Trade, seem abundantly to justify our doubts, whether the interference of legislators in this branch of commerce has not, in most instances, aggravated the evils which they were anxious to correct; and whether, on the whole, the welfare of a great agricultural nation, such as ours, would not be most effectually consulted by leaving the course of imports and exports to be regulated entirely by the interested speculations of individuals, according to the variable circumstances of the market. As I am always apprehensive, however, of the dangers which may be incurred by an unqualified adoption of general political principles, I would not be understood to deny, that cases may occur, in the revolution of seasons, in which it may be necessary for Government to co-operate actively in providing for the wants of the people, either by holding out bounties to importation, or by temporary regulations, calculated to economize the general consumption of the necessaries of life. The exceptions justified by such *extreme cases* imply, in truth, nothing defective or erroneous in our general principles, the soundness of which is sufficiently vindicated if they are conformable to the *ordinary* course of human affairs, although they may not admit of a *universal* application to every possible contingency. The number of these exceptions, however, may be expected gradually to diminish, in proportion as the arrangements of Political Economy, by becoming more comprehensive and systematical, provide a remedy for the apparent anomalies of nature, in the uniformity of her general laws. In the instance, for example, now under our consideration, there is every reason to believe, that little occasion would be left for extraordinary interpositions of the Legislature, if agriculture were uniformly to hold the pre-eminent rank to which it is justly entitled, among the various objects of national attention.

I have been led into these reflections by our late experience of the general distress occasioned, all over the island, by the

failure of the crop of 1799, in consequence of the rains which continued almost incessantly during the spring, summer, and autumn of that year,—"a year," according to Mr. Young, "unparalleled in the meteorological annals of Great Britain." The activity with which Government availed itself, on this occasion, of all the means it possessed to obtain information from every quarter, procured, it may be reasonably presumed, more accurate returns concerning the actual extent of the scarcity than were ever collected in any former instance; and the zeal with which its efforts to alleviate or to remedy the evil were seconded by various public-spirited and enlightened individuals, gave a certain degree of uniformity and system, not only to public measures, but to the exertions of private beneficence. A short summary, therefore, of the most important facts and conclusions which were thus brought under general discussion, may, at some future period, be an object, perhaps, not merely of curiosity but of use; and even at present, when it must necessarily possess an inferior degree of interest, from the lateness of the events to which it refers, it will not (I flatter myself) be considered as forming an improper conclusion to the speculations in which we have been lately engaged.

Among other writers whose abilities were called forth by the scarcity of last year, was that indefatigable veteran, Mr. Arthur Young, at the distance (if I recollect right) of about forty years from the date of his earliest publications. His pamphlet (which is entitled *The Question of Scarcity plainly stated* [1800]) is valuable chiefly as a record of the information which he received concerning the deficiency of the preceding crop, in consequence of letters of inquiry which he addressed to his correspondents in every part of the kingdom. It exhibits the authorities upon which he founded the opinions delivered in his examination before the Committee of the House of Commons, and, in this point of view, is unquestionably a document which deserves a place in the collections of all those who turn their attention to researches of this nature.

The result of Mr. Young's inquiries led him to conclude, on the whole, that the deficiency of the crop of wheat (including

both quality and quantity) amounted to more than *one-third.*

"The original letters," he adds, "are all in my possession, and may be consulted by any gentleman who wishes to examine them. I have very little reason to doubt that the accuracy is as great as can reasonably be expected in such investigations; and the number of counties reported is so large, that I have no great apprehensions of any material error affecting the general average,—the *particulars* being so numerous, that the error on one side may probably be corrected by counter-errors on the other."

By the *deficiency of a crop*, (it is to be observed,) Mr. Young means, the rate at which it falls short of an ordinary or average crop. An average crop, in the case of wheat, he states in his examination before the Corn Committee, at something *between twenty-two and twenty-four bushels per acre.* In his own private opinion, he intimates in his pamphlet, it might be stated at *twenty-four bushels nearly;* but he expressed himself to the Committee with a certain degree of latitude, in order to avoid any suspicion of a wish to exaggerate the deficiency of the crop in question.[1]

In truth, this deficiency, great as it is, falls short of what most persons expected beforehand, from the general aspect of the season. In England (we are told) no year was ever too dry for wheat,—a plant which thrives well in Spain, where rain has been known to cease for twenty-two months together; and in the Greek islands, where the heat, as Tournefort observes, perfectly calcines the earth.[2]

By many, both in and out of Parliament, the accuracy of

[1] According to Mr. Young, the average produce of wheat, as hitherto ascertained by the Board of Agriculture, appears to be 23⅛ bushels per acre. From the minutes which he himself collected thirty years ago, in the course of three agricultural tours through England, (extending to about 5000 miles,) he was led to state it at twenty-four bushels; and the result of his remarks during various tours, made during the last fifteen years, was precisely the same, confirming the accuracy of his former inquiries to a degree which exceeded his expectations.

[2] Young's *Pamphlet*, [*Question of Scarcity*, &c.,] p. 42.

Mr. Young's estimate was disputed; and it was very strongly asserted by some, that the deficiency did not exceed *one-fourth.* Without, however, ascribing any superiority to this gentleman either in point of information or of general correctness, it must, I think, be allowed, that, in the present instance, his conclusions are entitled to a peculiar degree of credit, in consequence of the extensive scale on which his inquiries were conducted. It is extremely possible, after all, that they may be wide of the truth; but they certainly possess an authority, in the determination of the question *now* under consideration, altogether different from what belongs to any *local* observations, however rigorously exact they may be in all their details. I mention this circumstance, because farmers, and even country gentlemen, are but too apt, on occasions of this kind, to appeal obstinately to their own *individual experience,* in opposition to those more comprehensive results which they conceive to be influenced by views of self-interest, or the spirit of theory; forgetting that the same circumstances which bestow on practical knowledge so inestimable a value in managing the little concerns of agricultural improvement, have a tendency to bias or warp the judgment in whatever relates to the general interests of an extensive country, diversified by numberless causes both moral and physical. *One* testimony in favour of the foregoing estimate it may be worth while to mention: it is that of the Speaker of the House of Commons, who in his speech of March 6, 1800, states it as a fact now very generally admitted, that the deficiency of the preceding crop amounted to *one-third.*[1]

With respect to the deficiency in Scotland, Mr. Young expresses himself with more diffidence. "If the accounts," says he, "which I have received in conversation, be correct, the deficiency in the *wheat crop* amounts to *one-half.* That in the *oat crop,*" he adds, "is stated to be the *same.*"

After collecting every possible information concerning the deficiency of the crop in 1799, an important fact remained to be ascertained with respect to the stock in hand at the period of the harvest. This was estimated very differently by different

[1] Young, [*Question of Scarcity,* &c.] p. 56.

individuals. A very able and respectable writer, Mr. Thomas Davis, of Wiltshire, asserted, that the stock in hand was equal to *six months'* consumption. "If there was left of the old stock at harvest only enough for three months, (*and I say there was double that quantity,*) where is the cause for alarm ?"[1]

Other writers stated it at *three months.* But even this estimate, moderate as it is, when compared with the preceding one, will appear obviously, on a little consideration, to go beyond the truth.

In considering the quantity of the stock in hand at harvest as a resource against the scarcity to be apprehended from a scanty crop, one circumstance deserves attention, which has been frequently overlooked; that a *certain* stock in hand is absolutely necessary at that season of the year to supply the market till the new crop is ready for use. Mr. Young states this "as probably not less than one month's consumption of the whole kingdom." The only part, therefore, of the stock in hand, which can be supposed to come in aid of the deficient crop, is the *excess* of the old stock (if there was any such) above what is necessary and common; and consequently, if there existed at the harvest a stock equal to *three months'* consumption to form an object of commercial speculation, the whole stock then in hand must be understood to have been equal to *four* months' consumption. The probability of such a supposition is strongly opposed by the extent of *capital* which such commercial speculations would necessarily require.

About forty years ago, the number of *wheat* and *rye* consumers in England was estimated, by Mr. [Charles] Smith, (the very intelligent and accurate author of the *Corn Tracts,*) at 4,638,000
The consumers of *barley and oats,* at . 1,362,000

Total, 6,000,000*

The whole population of England being then computed at

[1] Quoted by Young, [*Question of Scarcity,* &c.,] p. 56.

* [*Three Tracts on the Corn Trade, Supplement,* Chap. IV. p. 185, ed. 1766.]

6,000,000. Since that time, the consumption of wheat in proportion to that of oats must have increased greatly; and the increase of population would appear to have been considerable. Mr. Young supposes it at present to amount to 10,000,000. His estimate is probably *above* the truth; but it is sufficiently accurate for the present argument. Of this number, Mr. Young supposes 8,000,000 *at least* to feed on wheat; and the other 2,000,000 to live on barley and oats. These numbers (he tells us) he fixes on, in order to avoid all charge of exaggeration; intimating, at the same time, that in his *private* opinion, the number of wheat eaters is in reality much greater, and that those who, in common times, live on barley and oats, are probably nearer to *one* than to *two* millions.

The annual consumption of wheat was estimated by the same gentleman (Mr. [C.] Smith,) from a careful collection and comparison of different authorities, at eight bushels per head, and that of oats at twenty-three;* and the inquiries of subsequent writers seem abundantly to confirm the justness of his conclusion. Mr. Young supposes, therefore, that at present eight millions of people consume as many quarters of wheat.

In August 1799, the price of wheat (upon the average of England) was above nine shillings the bushel, or £3, 12s. the quarter. Two millions [of quarters] at that price come to £7,200,000—a capital which it is scarcely conceivable should be scattered over the country, ready to be applied to a speculation so hazardous in the issue. Indeed, we may venture to assert, that, in by much the greater part of the kingdom, no such speculations *could* be made by millers and mealmen, either in the way of keeping or of buying. The truth is, that the number of those who are tempted to speculate when prices are very *high*, is at all times so inconsiderable that it may be laid down as a *general fact*, that speculative hoarding is proportioned to *cheapness*. Such speculations, too, it must be remembered, when attempted so late as the month of August,

* [Ibid. *Supplement*, chap. v. pp. 198, 199, edition, 1766.]

have but a small sphere to act in; the quantity of corn in the whole kingdom then being small, and every part of it *necessarily* possessing a share of that small portion. As for *farmers*, a still more direct appeal to the evidence of the senses:—"Every person," says Young, "who is in the habit of travelling over England, knows perfectly well, that for one district where old wheat stacks *abound* in harvest, there are ten where you will look in vain for more than a few solitary ones in the hands of here and there a great farmer." The assertions to the contrary in the evidence brought before Parliament, come from individuals, who, living in parts of the kingdom where farms are generally large, (such as Wiltshire and Dorsetshire,) have absurdly extended the result of their local observations to the island at large. Such is the assertion of Mr. Davis of Wiltshire, that there was left, of the old stock, at harvest 1799, enough for *six* months' consumption,—although during that year the price had been ten shillings a quarter beyond the average, notwithstanding the importation of nearly half a million of quarters.[1]

Another circumstance which has frequently contributed to mislead individuals in their statements on this subject, is the business of thrashing wheat, which, in the neighbourhood of great towns where there is a regular demand for straw at all times, is often delayed till the spring and summer. The fact, however, undoubtedly is, that in by far the greater part of the kingdom (excepting in the case of the few farmers who are rich enough to speculate in price) wheat is thrashed during the course of the *winter*, when cattle thrive better on straw than they would do in spring. In winter 1799-1800, this must have been still more generally the case than in ordinary seasons, on account of the enormous price which straw yielded everywhere; which price (as Mr. Young has observed) must have operated, in addition to the high price of the grain, as a direct premium upon thrashing.

Of what happens in ordinary years a judgment may be formed from a fact which Mr. Young states with confidence;

[1] Young, [*Question of Scarcity*, &c.] p. 56.

that in *two* years at least out of *three*, the summer price is higher than the winter,—a fact which is indeed no more than might have been expected *a priori*, from the prevalence of small farms in England, and from the necessity which small farmers are under, of carrying their corn early to market.

The following Table of the average prices for the year following the harvest of 1798, is extracted from Young,* and illustrates strongly the foregoing observations:—

1798.	England. s. d.	London. s. d.
October,	6 0	6 0
November,	5 11	5 10
December,	6 0	5 11
January,	6 2	6 5
February,	6 2	6 5
March,	6 3	6 4
April,	6 8	6 9
May,	7 7	6 2
June,	7 11	7 7
July,	8 4	8 4
August,	9 1	8 7
September,	9 5	8 9
Average [per bushel,]	7 1	6 11
[Average] per quarter,	56 8	55 4

This Table (admitting it to be correct) affords a demonstration that the number of *great* farmers in England, and of individuals able to speculate in grain, far from being so great as to put it in their power, on an average of the kingdom, to raise the price immediately after a scanty crop beyond its just proportion, is by no means sufficient to counterbalance the effects produced by the abundant supply of the markets, arising from the necessities of the *little* farmers. The consequence is, that the people do not put themselves on short allowance so soon as they ought, (their consumption being always more or less regulated by the price,) and the evil increases as the year advances. It would, in truth, be incomparably greater than it now is, were it not for those who are

* [Ibid.]

stigmatized with the odious name of *Monopolizers*, whose capitals enable them, to a certain extent, to equalize both price and consumption through the whole year, by withdrawing grain from the market when prices are *low*, and restoring it when prices are *high*. If the capital employed in such speculations was still greater, and divided among a greater number of capitalists, the remedy would be proportionally more complete.[1]

The Table just now exhibited deserves attention on *another* account, as it affords an additional argument to prove that the stock on hand at harvest 1799, has been, in general, greatly overrated. On a comparison between the average price of this year, and the average price of the twelve years preceding, it appears that the former was just ten shillings a quarter higher than the latter. After such a price, how is it conceivable that the stock on hand should have so far exceeded that which is found, in ordinary years, to exist at the same season?

The great and rapid fall which has taken place lately in the prices of grain, (July 1800,) furnishes no argument against the foregoing conclusions. The unprecedented height to which prices had risen, drove the people to the use of substitutes for their ordinary food, and to measures of economy formerly unknown. The demand was, of course, proportionally slackened, and a reduction in the consumption sunk prices far below that level at which they must have kept if the habits of the people had continued the same as in ordinary years. If these habits had changed completely at an early period of the winter, prices could not have remained so long at the enormous height which they reached.

To these considerations must be added the immense and unexampled quantities of grain imported into the island, and

[1] That occasional inconveniences and hardships may be felt in consequence of improper combinations among corn-merchants, (such as those which have been lately so loudly complained of in the London market,) cannot be denied; but the possibility of these combinations arises from the general prejudices against the Corn-trade, which keep it in the hands of a comparatively small number of speculators, who may be presumed, from the very circumstance of their engaging in it, not to regard *character* as their principal object.

the near prospect we now enjoy of an abundant harvest.[1] No inference can therefore be drawn from the present fall of prices, either to disprove the reality of the scarcity, or to justify the clamours which have been raised against those pretended monopolizers to whom the distressing of the poor have been most uncandidly and iniquitously ascribed.

It may appear to some to be superfluous to dwell so long on the details of a scarcity which is now over. But the history of such a year as the last is worth an hundred theories; and, if we should ever be again visited by a similar calamity, it may be of much use to us to have the means of calling to mind, not only the expedients which were suggested for lessening the pressure of the evil, but the prejudices which operated to mislead the public opinion. The same prejudices would not fail to be revived in the same combination of circumstances; and it is only by reflecting on them calmly, while the subject is yet fresh in our recollection, that we can hope to fortify our judgments completely against their future influence.

Among these prejudices, there is none more pernicious in its effects, and, at the same time, none more invariably prevalent in every season of scarcity, than an idea,—that the scarcity is not real, but created by jobbers and monopolizers. Such an idea is but too apt to occur, of itself, to that order of men who suffer the most severely from extravagant prices; and hence their disposition to retaliate by riot and violence upon the supposed authors of their sufferings. How short-sighted, therefore, were the views of those individuals who, from a laudable anxiety to tranquillize the public mind, were led, on the authority of one or two districts, to foster those misapprehensions which it was their duty to correct; by asserting both in and out of Parliament, that "the deficiency of the harvest 1799 did not exceed one-fourth, and that it was more than covered by the stock in hand!" This language was held by many who

[1] The summer of 1800 has been the most remarkable for drought and heat of any I remember. The harvest is already (August 13) considerably advanced. Last year, on the 2d of October, I saw the greater part of the barley in Berkshire still standing and, more than three weeks afterwards, a considerable proportion of the crops in Yorkshire in the fields.

ought to have known better; while the statements of those who spoke the truth were stigmatized as approaching to sedition and mutiny.

I am abundantly sensible, that the means we possess at present of estimating the deficiency of a given crop, by information collected from individuals in different parts of the country, are far from being completely satisfactory; and that farmers may be justly suspected, on such an occasion, of a disposition to accommodate their calculations to their own interested purposes. This is undoubtedly an evil, in so far as their representations have a tendency to advance the price; but it is an evil incomparably less than might be occasioned by a contrary error; and in comparing the information thus collected, allowances are always made for such exaggerations.

It were much to be wished, that in a year of scarcity, the extent of the evil, all over the kingdom, could be ascertained with accuracy; and, I have no doubt, that more effectual means for that purpose might be devised than have yet been employed. But it is a difficult task for Government to decide, when such a calamity occurs, how to proceed; as the very inquiries which are instituted with a view to remedy the evil, have inevitably, in the *first* instance, the effect of adding to its magnitude. If no inquiry is made, ministers are accused of negligence; and, after it is undertaken, they are blamed for that enhancement of price which is the natural consequence of a general alarm.

The inconveniences of such inquiries are much increased in this country, by the circumstance of their being commonly conducted through the medium of Parliamentary Committees; by which means the factions of all descriptions are inevitably made parties to the discussion, and political passions and prejudices are superadded to those which are necessarily connected with a subject so deeply interesting to all, and of which so few are competent to judge. Mr. Young suggests, that they ought to have been made through the medium of the Board of Agriculture; and indeed, if the members of this society are not to be honoured with the public confidence in matters so intimately

connected with the object of their institution, it will not be easy to justify the national expense which has been already incurred by the establishment.

The most effectual method of guarding against the alarm occasioned in a year of scarcity, by those inquiries which are necessary for ascertaining the actual state of the country, would be to make the same inquiries *annually*. In truth, they ought to be made regularly, under every Government, not only with a view to those interpositions which may be occasionally requisite on the part of the statesman, but as the means of ascertaining with accuracy, some of the most important facts, which enter as *elements* into all our reasonings connected with this article of Political Economy. The relation, for example, between *price* and the *quantity of produce*, is a point of a very interesting nature, on which little or nothing satisfactory has been hitherto advanced, and on which various speculations have obtained credit, which, there is reason to believe, have never been brought fairly to the test of experience. To this relation I have had occasion already to refer in different parts of this argument; and as it is intimately connected with the subject now under consideration; I shall make no apology for explaining a little more fully the scope of the question to which I allude.

I had occasion to take notice already of an erroneous opinion not yet completely exploded among political writers, that, in the case of a scanty harvest, the rise of price may be expected to be in the same proportion with the deficiency;* that the abstraction, for example, of a *fifth* or a *tenth* from the general supply, will raise the price a *fifth* or a *tenth* above the common rate; and I quoted what seems to me a very just observation of Necker's, that the abstraction of a fifth or a tenth, or of a much smaller portion, may, in certain circumstances, raise the price beyond all bounds.

Mr. Young, in his last pamphlet,† is not very explicit on this point. In one passage (p. 53) he remarks, that "the experience of centuries may tell us, that the price of corn will

* [*Supra*, p. 84.]

† [*Question of the Scarcity*, &c., 1800.]

not rise in *exact proportion* to the deficiency." In another, (speaking of the enormous prices during the winter 1799-1800, after a crop supposed to be deficient by *one-third*,) he states it as an obvious principle, (p. 71,) that "a deficiency in the crop of thirty-three per cent. *ought not* to be attended with a rise of *one hundred per cent.*;" without, however, intimating on what grounds he rests this assertion, or even explaining in what sense he means the assertion to be understood. When it is said that "a deficiency in the crop of thirty-three per cent. *ought not* to be attended with a rise of one hundred per cent.," does the author mean, that this rise is above the rate which the *experience* of a similar deficiency in *former instances* might have led us to expect? or that this want of correspondence between the actual rise and the degree of deficiency, indicates an undue avarice in the different classes of corn-dealers? From the clause which immediately follows, the latter interpretation would seem to be the more probable; for we are told, that "some measures ought to be adopted, difficult as they may be, to prevent an inequality so oppressive to the poor." And yet I don't know how to reconcile these words with the sentence immediately preceding, in which it is asserted, that "the high price at present arises entirely from the seasons." The whole paragraph is as follows:—

"The high price at present I consider as *entirely* arising from the seasons; but as a deficiency in the crops of thirty-three per cent. ought not to be attended with a rise of one hundred per cent., some measures ought to be adopted, difficult as they may be, to prevent an inequality so oppressive to the poor."[1]

Upon this subject (*the relation between price and the quantity of produce*) there is a very curious passage in the works of Davenant, of which it is proper for me to take notice both on account of the high reputation of that excellent writer, and of the stress which has been laid upon it by different authors from his time.

"It is observed that but one-tenth defect in the harvest may

[1] In Mr. Young's *Political Arithmetic*, (published in 1774,) he expresses himself more explicitly on this point. See p. 194.

raise the price three-tenths; and when we have but half one crop of wheat, which now and then happens, the remainder is spun out by thrift and good management, and the use of other grain; but this will not do above one year, and would be a small help in the succession of two or three unseasonable harvests; for the scarcity even of one year is very destructive, in which many of the poorest sort perish, either for want of sufficient food, or by unwholesome diet.

"We take it," the same writer continues, "that a defect in the harvest may raise the price of corn in the following proportions:—

Defect.	Above the common Rate.
1 Tenth	raises the price 0.3
2 Tenths	„ „ 0 8
3 Tenths	„ „ 1.6
4 Tenths	„ „ 2.8
5 Tenths	„ „ 4.5

"So that when corn rises to treble the common rate, it may be presumed that we want above one-third of the common produce; and if we should want five-tenths or half the common produce, the price would rise to near five times the common rate."[1]

The passage now quoted may be found in Davenant's chapter, "On the Land of England and its Product;" in which, as in other parts of his *Essay on the Balance of Trade*, he professes to found his speculations on certain calculations communicated to him by Mr. Gregory King,—a person of whose skill in Political Arithmetic he speaks in the strongest terms, and in the opinion of the ablest judges, most deservedly. Whether this particular observation rests on his own authority or on that of Mr. King, does not appear from anything that he has stated. I confess I should rather lean to the former supposition, from the manner in which the observation is introduced; although I find it generally referred to Mr. King by modern writers on Political Economy,[2] I mention this circumstance, because Mr. King's *skill and accuracy* which have become pro-

[1] Davenant's *Works* by Whitworth, Vol. II. p. 224.

[2] See [C. Smith's] *Tracts on the Corn Trade*, [1766,] p. 50; and Young's *Political Arithmetic*, p. 194.

verbial among this class of authors, serve to account for the facility with which this very extraordinary statement has been received.[1]

In what manner the numerical proportions specified in Davenant's Table were obtained we are not informed, whether they were inferred from any train of reasoning *a priori*, or were deduced from a series of actual observations on the relation between price and produce. As the former of these suppositions, however, seems to be altogether absurd, we may safely conclude, that (however inaccurate and imperfect the *induction* may have been) it was by some of the latter description that the conclusion was formed.

We are also left in uncertainty about another very important particular, whether the proportions specified by Davenant are such as are observable in particular markets; or whether they are meant to exhibit the relation between the national produce and the average price of grain over the whole country. There, too, it seems reasonable to conclude in favour of the second supposition; for the author speaks of the effect produced by *a defect in the harvest*, not of those arising from a failure in the supply which a particular market may occasionally afford.

There is yet another point, about which I am more at a loss in conjecturing Davenant's meaning. Taking for granted that I am right in the last interpretation which I have now given to his words, Does his proposition state the average price through the whole year, or the average price at a particular period? And in the latter supposition, what period may we presume this author to have had in view? For some time after the harvest, it seems impossible (in the case of a deficient crop) that any exact relation should obtain between the degree of deficiency and the augmentation of price; for how should the extent of the evil be guessed at with any accuracy? And afterwards we almost invariably find prices changing from

[1] On the margin of a copy of Mr. Young's Pamphlet, *On the Scarcity*, (lent to me by Lord Lauderdale,) Davenant's statement now under consideration is transcribed, but without any comment. See p. 71 of that copy.

month to month, in consequence of collateral circumstances, through the whole progress of the year.

I am inclined therefore to think, that the *price* referred to by Davenant is the average price of the whole year over the whole kingdom. But surely at the time when that author wrote, returns of prices were not made with such accuracy as to furnish a ground-work for any such calculations. Even at present the corn returns are acknowledged to be inadequate for the purpose;[1] and till the 23d and 31st of George III., no plan for ascertaining the average price of corn had been thought of which could afford any tolerable approximation to the truth.[2]

Nor is this all. Supposing the proportions assigned by Davenant to have been just at the time he wrote, what reason have we to conclude that the same proportions obtain at present? On the contrary, have we not the best reasons for inferring, that if they were just *then*, the case *now* must be widely different? How great must have been the effects produced by the gradual emancipation of the inland trade of corn from the fetters imposed by the old prejudices against forestallers and regrators?—By the increased capital now employed in this branch of commerce?—By the facility and economy in the circulation of grain, arising from the canals with which the country is everywhere intersected?—By the substitutes for bread, and the other improvements lately made in the art of nutrition?—not to mention the various fluctuations in our policy concerning *importation* and *exportation*. During the extreme dearth of last winter, another circumstance operated, the effects of which it is plainly impossible to subject to any rule; I mean the exertions made in favour of the poor by the more opulent classes of the community.* From overlooking

[1] Arthur Young, Pamphlet, *On the Scarcity*, [1800,] p. 71.

[2] Chalmers' *Estimate*, pp. 273, 274. [Chap. xii. p. 259, edition 1812.]

* [From the Notes of Mr. Bridges, it appears that Mr. Stewart adjourned all consideration of the influence of these exertions to a subsequent part of the course,—the chapter, to wit, on the Poor Laws,—which seems to have been, for the most part at least, written at a later date than the existing manuscripts of these *Lectures*. At the risk of a little repetition, these further observations

this contingency, Sir James Steuart was long ago led to say, that in the case of the necessaries of life there is a limit determinately fixed to *price* by the *faculties* or *means* of the lower

will be given afterwards from the Notes of Mr. Bridges. The following additional remarks on Davenant's Table are also supplied from the same source:]

(*Interpolation from Notes.*)—After what has been now said, it is hardly necessary for me to add anything with respect to the Table itself. The use, however, which has lately been made of it by Mr. Brand, induces me to add, in farther confirmation of what has been already urged with regard to it, that if it is to be understood as furnishing a rule of computation in this country at all periods, it must on the same principle be equally applicable to all countries. So far, however, is this from being the case, that I may venture to assert, that the relation between produce and price, or to speak more explicitly, the relation between a deficiency of the former and an increase of the latter, will everywhere vary according to the political condition of nations, the established system of law with regard to the commerce of grain, the habits of the people in the article of food, the methods of economizing it which they possess, the measure of the public charity, and many other circumstances. The following facts I mention, on the authority of a traveller, of whose accuracy and judgment I have the highest opinion. It is directly in point to the question; and I have no doubt that the same conclusion to which it leads, would be confirmed in every case where inquiries were made. "The summer of 1799, when I was in Sweden, must have been a very fatal one. In the provinces bordering on Norway, the peasants called it the worst that they had ever remembered. Cattle had all suffered extremely during the winter, from the drought of the preceding year; and in July, about a month before the harvest, a considerable portion of the people was living upon bread made of the inner bark of the fir, and of dried sorrel, absolutely without any mixture of meal to make it more palatable and nourishing." I have borrowed this statement from an *Essay on Population*,* and it seems to authorize me in concluding, that the degree of scarcity then prevailing in Sweden, was greatly beyond anything which has occurred within memory in this country. And yet it appears from a pamphlet published a few years ago by the same author, [*An Investigation of the Cause of the present High Price of Provisions*, 1800,] that the price of rye, which may be considered as the chief article of food in Sweden, had not risen above double the usual average; whereas, in this country, wheat rose, at the same time, above three times its usual price.

On what conceivable principle, then, shall Dr. Davenant's Table be applicable to all the different variations of circumstances in this country, when it appears that the relation between price and produce varies so widely in the course of the same year in different parts of Europe?

These considerations strike me so forcibly, that if by any accidental coincidence Dr. Davenant's Table should be found to correspond with what has actually been the case, I should only consider it as an additional proof of the vagueness of the data upon which it was formed.

The Essay of Mr. Brand, above

* [By Malthus, Book II. chap. ii.; Vol. i. p. 345, third edition.]

orders. This at least he lays down as a maxim in an *industrious* country; for he acknowledges that the contrary may happen where multitudes depend on the charity of others.

alluded to, is entitled, *A Determination of the Average Depression of the Price of Wheat in War below that of the preceding Peace, from the Revolution to the end of the last Peace.* The chief, and indeed the professed design of this author, who is a clergyman of the Church of England, is to demonstrate by mathematical calculations, the happy influence of war on the internal prosperity of the country. The general result of his investigations is, that war reduces the prices of all necessaries, in so far as these are not directly taxed. In ascertaining the prices of every particular year, he has availed himself of what mathematicians call the method of Interpolation; by means of which, when judiciously employed, many things which it may be difficult to determine by actual observation at the moment of their occurrence, are determined, accurately enough, by certain observations made before and after that period. A similar method of investigation had, before the publication of Mr. Brand's pamphlet, been introduced into Political Economy by a late very ingenious writer, Sir George Shuckburgh, in the construction of a Table, published in the *Philosophical Transactions*,* entitled, *A Table exhibiting the Prices of Various Necessaries of Life, together with those of Day-Labour, at different Periods from the Conquest to the Present Time; deduced by Interpolation.*

To such an application of this method, supposing always that due allowances are made for all the various circumstances by which our data may be influenced, no reasonable objection can be made. And whatever doubt may be entertained with respect to the justness of this author's results, it must be owned that his idea was happy and philosophical; and the prosecution of it may in time throw light upon various questions connected with this branch of science. How far the same method has been applied with judgment and fairness by Mr. Brand, it is not necessary for me to inquire particularly. It is amusing, however, to observe with what mathematical precision his inferences in several instances correspond with the actual state of the market when he published. But however little faith is to be given to his different conclusions, I flatter myself that some good may result from his work, as a new attempt to bring this question again under discussion, should it lead to nothing more than a correction of the public apprehensions, arising from the belief, that the increase of prices is always in proportion to the deficiency, and that when they rise beyond that rate, there is ground to suspect undue practices on the part of farmers and corn merchants. In process of time, something still more advantageous may result from the inquiry. At all events, the attempts of Mr. King and Dr. Davenant, to collect general rules on this subject, are highly meritorious; and although the data on which all such inquiries proceed must necessarily be very precarious, their example is sufficient to encourage a renewal of the investigation, with the help of those additional lights, how imperfect soever they may be, of which we are now in possession. Mr. Chalmers remarks, that "if the statutes of the 31st and 23d of the present King, had produced no other benefit to the country than establishing an effectual mode for ascer-

* [Volume for 1798, p. 176.]

His reasoning on the subject is not undeserving of our attention.

"The *number* of buyers of subsistence nearly determine the *quantity* sold; because it is a necessary article, and must be provided in a determinate proportion for every one; and the more the sale is frequent, the more the price is determinate. Next, as to the standard: this I apprehend, must depend upon the faculties of the buyers; and these again must be determined by the extent of those of the greatest number of them; that is to say, by the extent of the faculties of the lower classes of the people. This is the reason why bread, in the greatest famine, never can rise above a certain price; for did it exceed

taining the average price of corn, and thereby prevented causeless alarms, they had merited the praise of most useful regulations."* I do not mean to affirm that the means provided for ascertaining prices by these acts, particularly those which relate to Scotland, are well fitted for accomplishing their purpose. But the object surely is not of very difficult accomplishment; nor indeed does anything more than the will of the Legislature seem necessary for obtaining an accurate account of the number of acres sown with wheat and other grain, in every parish of the kingdom, in order to infer an average of the prices of the kingdom. From these data, if regularly ascertained for a series of years, some results might be deduced of great practical utility.

The passage in Dr. Davenant which led me into these observations, has been again referred to of late by Mr. Thornton, in his *Inquiry into the Nature and Effects of the Paper Credit of Great Britain.* While this author, with that soundness of judgment which appears to me to characterize all his speculations, avails himself of Dr. Davenant's Table, he does this, as he expressly mentions, merely for the purpose of giving some general idea of the vast effect which a very small failure in the supply of corn produces on the price of that necessary of life.

Having mentioned this publication of Mr. Thornton, I take this opportunity of recommending it to your perusal, as containing the clearest and most satisfactory illustration which I have ever yet met with, of some of the most important fundamental principles connected with the theory of paper credit. A variety of misapprehensions, into which Mr. Smith, Mr. Hume, and Montesquieu, had fallen on this subject, are corrected by Mr. Thornton, with due respect to the merits of these eminent authors, and many interesting details are introduced by him, which nothing but a perfect acquaintance with the particular operations of merchandise could have enabled him to give. A few of his conclusions, to which I cannot altogether assent, I could have wished to have examined here, particularly the effects of a fluctuation in the quantity of the paper currency on the price of commodities; [See above, *Political Œconomy*, Vol. I. App. ii.;] but the advanced period of the season will hinder me from entering into this and some other interesting subjects of inquiry.—(*End of Interpolation from Notes.*)

* [*Political Estimate*, Chap. xi. p. 204, edition 1812.]

the faculties of the great classes of a people, their demand must be withdrawn, which would leave the market overstocked for the consumption of the rich; consequently, such persons who in times of scarcity are forced to starve, can only be such whose faculties fall, unfortunately, below the standard of those of the great class. Consequently, in *countries of industry*, the price of subsistence never can rise beyond the powers to purchase of that numerous class who enjoy physical necessaries; consequently, never to such an inordinate height as to starve considerable numbers of the people,—a thing which very commonly happens in countries where, industry being little known, multitudes depend merely on the charity of others, and have no resource left as soon as this comes to fail them."[1]

As this reasoning proceeds on the supposition that the poor have no resources but in their own industry, it is plainly inapplicable to the history of the late scarcity, when such unexampled exertions were made, in every part of the country, for the assistance and relief of the lower orders. In consequence of these exertions, the competition was kept up much beyond what the unassisted faculties of the poor could have produced; and the operation of those circumstances was fortunately checked, which, if things had been left to follow their own course, would have limited prices, long before they had approached to the height which they reached. Numbers must have been found to perish for want of food; and a melancholy remedy would have been found against the exorbitancy of price in a diminishing competition.[2]

Before concluding this subject, I shall touch very slightly on some of the most important measures which were adopted or proposed as palliatives of the general distress.[3]

The historical sketch which I have now finished relative to the scarcity after the harvest of 1799, appeared to me to be the

[1] Vol. I. pp. 397, 398.—[*Political Œconomy*, Book II. chap. xxviii.; *Works*, Vol. II. pp. 82, 83.]

[2] See Arthur Young, *Question of Scarcity*, p. 62.

[3] [Author's Memorandum.]—Leave twenty pages blank.—Public Kitchens.—Edinburgh.—See volume marked on the back Howlett's Pamphlets.—[See, however, the interpolation on the Poor Laws from the Notes of Mr. Bridges, *postea*.]

more necessary, that from a variety of circumstances there is reason to apprehend, that occasions may again occur (not, it is to be hoped, accompanied with the same aggravated difficulties) when the benevolent interposition both of the Legislature and of individuals may be necessary for the assistance of the people. It seems now to be universally admitted, that the advancement of cultivation for some time past has by no means kept pace with our growing numbers; and the dependence of this island on other countries, for the means of subsistence, during an uninterrupted series of years, has been justly considered as a most alarming fact, by all who are able to judge of the best interests of the nation. To the effects produced by our growing population, must also be added those which result from the astonishing increase of horses during the last thirty or forty years. In such circumstances any considerable deficiency in a single crop, must necessarily produce the most serious inconveniences.

The increase of population undoubtedly operates powerfully by the demand it occasions, to provide an adequate supply; but experience has shewn that this is counteracted by various causes, particularly by the increased demands for the products of grass, occasioned by the immense wealth of the kingdom. The multiplication of enclosures and other agricultural improvements, though they cannot fail to diminish greatly the evil, do not as yet promise a speedy and effectual remedy.

The wastes and commons of the kingdom (it has been observed by many) afford ample resources for a much greater population than we possess; and the remark is perfectly just. Every exertion for their improvement may be ranked among the wisest national measures; and, so far as the end can be accomplished, the most solid of all additions is made to the independent wealth, and to the real greatness of the empire.

In the meantime, some measures are called for, the operation of which may be more immediate, and which, without interfering with other more general schemes of utility, may add to the resources which we can at present command.

Of these, the most effectual is to reconcile the poor, as much

as possible, to those cheaper modes of sustenance, which the ingenuity of scientific men, stimulated by the pressure of the times, has suggested. Improvements of this sort in their ordinary cookery may reasonably be expected, as *one* of the consequences of those *public kitchens* which are now so prevalent in every part of the kingdom; and although alterations, such as affect the general habits of a people, must, of course, be gradual, it ought to be remembered, that every step which is gained in introducing a wholesome and nourishing substitute for bread, forms an important accession to the mass of material opulence.

In the *country*, the general use of milk and potatoes affords a resource of still greater importance. If every country labourer had his potato ground and a cow, the extremity of want would be as little known as it is said to be among the lower orders in Ireland. The peculiar advantages attending *potatoes* as a food for the body of the people, are well known; and what inestimable advantages a poor family may derive from the possession of a cow, may be learned from the *Memoirs* published by Lord Winchelsea. Mr. Young informs us, that of seventy labourers about Burley having gardens and grass for one or two cows from this nobleman, only two widows have applied, on occasion of the scarcity during the winter of 1799-1800, for parochial relief.

One measure of unquestionable efficacy might be easily carried into execution, to prohibit, by legislative authority, all parochial relief in any other mode than by potatoes, rice, or soup. This measure has been recommended not merely as a temporary expedient, but as a permanent regulation;[1] and it would certainly produce important consequences. It would secure an extensive cultivation of potatoes, or a great and regular import of rice; and it would operate irresistibly in altering the habits of the lower orders, in some particulars, equally prejudicial to themselves and to the public.

It is undoubtedly painful to mention plans which *seem* to imply new economical arrangements on the part of the inferior

[1] Young's *Pamphlet*.

classes of the community; but nothing that has been hitherto said affects their *real* comforts, and, in truth, tends only to substitute what they may regard as a more *homely plenty*, instead of the scanty enjoyments of their accustomed fare. At any rate, the circumstances of the country (from causes which I shall not stop now to investigate) recommend imperiously some alteration in our national modes of subsistence, more especially as we find a similar reform likely to gain ground among those whom we have been taught to regard as our national rivals and enemies.

The following facts (which I mention on the authority of Arthur Young, a writer who will not be accused of partiality to the French Revolution,) is not unworthy of attention at the present moment. It is extracted from a pamphlet published as lately as March 1800.

"The farming bailiff I sent to the Duke of Liancourt ten years ago, is now in London, having left France but a fortnight, and has given me many accounts of French husbandry; one circumstance of which deserves notice, that every scrap of waste and neglected land is converted into little possessions by the poor, and cultivated most assiduously; *much*," it is added, "by means of potatoes."[1]

I cannot help adding here, (although the observation is not *immediately* connected with our present subject,) that in years of moderate plenty, a very great part of the distress experienced by the lower orders in this island, must be ascribed to their own pernicious habits; habits, however, which, I am afraid, are likely long to remain the subject of our unavailing regrets. It is remarked by Dr. Currie in his *Medical Reports*, that "the want of a diet sufficiently nutritious is doubtless one of the causes that promote the typhus and other diseases among our poor. . . This," he continues, "does not seem to arise in general from the price of their labour being inadequate to furnish such a diet, but from their ignorance in the most advantageous modes of cookery, and still more from their indulging

[1] With respect to the advantages of *rice* as a substitute for *flour*.—See *Reports on the Poor*, p. 187.

in articles that consume their means without adding to their sustenance. In the 1800 cellars in Liverpool, there are many in which animal food is not tasted more than once a week, but there are very few in which tea is not drunk daily,—it is often indeed drunk twice a day. The money spent on tea," the same author adds, " is worse than wasted. It is not only diverted to an article that furnishes no nutrition, but to one that debilitates the empty stomach, and incapacitates for labour. Hence the vast number of dyspeptic complaints among our patients of the public charities, which are almost all to be traced to the use of tea or spirits, often indeed assisted by depression of mind."

The miserable effects produced by the unfortunate appetite for intoxicating liquors, so prevalent among the lower orders of this country, have been often discussed. I shall not attempt to investigate its origin, nor to ascertain how far it ought to be regarded as *a cause*, or how far as *an effect* of their poverty. It is certainly much more easily explicable than the origin of that appetite for *tea* which is now become so general among the poorest classes of the community both in Scotland and England. That it is an unfortunate circumstance in many respects, and which justly deserves the reprobation which Dr. Currie bestows on it, must be granted by all;—but although something may be fairly ascribed to the ignorance and want of foresight, and absurd imitation of those who indulge themselves in this expensive and hurtful beverage, is there not reason to apprehend, that here too, as in the case of spirituous liquors, the source of the evil lies deeper than is generally apprehended? A late writer who has stood forward as an advocate for *labourers in husbandry*, has asserted that " tea-drinking is not the cause, but the consequence of the distresses of the poor;" and his observations on the subject (although I would not be understood to subscribe to them in their full extent) seem to me not undeserving of attention.[1]

The reasonings of Mr. Davies receive some confirmation

[1] See *Davies*, p. 37. [*Case of Labourers in Husbandry Stated and Considered*, 1795, by David Davies, Rector of Barkham, Berks.]

from the fact, that in *other* instances where the distresses of the poor have been great, they have been led to betake themselves to similar resources. In a very interesting account published some time ago, of the management of the poor at Hamburgh, we are told that previous to the enlightened attempts that have been lately made for their relief, "the indigent classes in that city had been habituated to live almost entirely on a miserable beverage which *was called coffee*, and sold in messes, with about half-a-pound of indifferent bread. This wretched substitute for food they took twice a day."[1] It is pleasing to add, on the authority of a *Report* published in 1798, that by the introduction of Count Rumford's soups, a saving of nine parts in sixteen, or rather *more than half* the former expense of their food, has been gained in the maintenance of the poor at Hamburgh, while a visible improvement in health and strength (particularly in the case of children) has accompanied this reformation.

A very melancholy fact which has been mentioned by Dr. Beddoes in one of his medical publications, adds to the weight of some of the foregoing considerations. What I allude to is the use of *opium* among some descriptions of our poor. "Whether," he observes, "it was first taken to recruit the labourer after excessive toil, or occasionally to cheer the gloom of despondence, or to make up the deficiencies of that abominable water-gruel and potato diet, by which the joyless being of so many pale, meagre, shivering women and children is prolonged, I am not informed. I had known," he adds, "the fact for some time, and lately received the following account from a medical observer."[2]

I shall not draw any particular inference from these facts, but must be allowed to remark, that when such habits become generally prevalent, they justify the conclusion, that whatever share of blame may be due to the individuals who adopt them, all is not right in the Political System.

[1] Paper by the Bishop of Durham.

[2] Beddoes' *Lectures*, &c., p. 69.

[SECT. III.]—ON SUBJECTING THE COMMERCE OF MONEY TO THE REGULATION OF LAW.

Having treated of the general principles which regulate the rate of interest, independently of the interposition of the statesman, I proceed now to consider the motives which have influenced the policy of different nations in subjecting the commerce of money to the regulation of law. For this purpose it will be necessary for me to take a pretty wide circuit, by referring to some speculative opinions of the ancients, which have been long exploded as unfounded prejudices, but which have had, nevertheless, a secret effect in modifying the ideas and institutions of Modern Europe. If, in discussing this preliminary point, I should be thought somewhat diffuse, I flatter myself that the nature of the subject, which is curious and interesting, independently of its connexion with the questions to which I mean to apply it, will be a sufficient apology.

In contrasting the opinions of ancient and modern times concerning the rules of practical morality, there is nothing which, at first view, appears more astonishing than the strong terms in which some of their most eminent philosophers reprobate the practice of lending money upon interest,—a practice which is now so familiarized to the minds of all civilized nations, that it would be considered as no less absurd to offer a formal proof of its innocence and equity, than to argue against them. The circumstance on which Aristotle grounds his disapprobation of this practice is of so extraordinary a nature, that although it has been often referred to by modern casuists, it would be improper to pass it over without some animadversion. "Among the various ways," he observes, "of getting money, agriculture and the rearing of cattle are natural and honourable, because the earth itself and all animals are by nature fruitful. But to make gain from money, which is naturally barren and unfruitful, is most justly accounted dishonourable, and is held in detestation;—inasmuch as it is a perversion

of money from its natural use, the purchasing what we want." The argument is so extremely absurd, that it could never have led this acute and profound philosopher to the conclusion it is employed to support, but may be justly numbered among the instances in which speculative men have exerted their ingenuity to defend, by sophistical reasonings, the established prejudices of the times in which they lived, and in which the supposed evidence of the inference has served, in their estimation, to compensate for the weakness of the premises. It is, however, worthy of observation, that Aristotle's argument (such as it is) was manifestly suggested by the etymology of the word *Τόκος*, (which, in the Greek language, signifies *interest*,) from the verb *Τίκτω, pario*,—an etymology which seems to imply that the principal *generates* the interest.[1] The same idea, too, occurs in the scene between Antonio and Shylock, in Shakespeare's *Merchant of Venice*.

> "If thou wilt lend this money, lend it not
> As to thy friend, (for when did friendship take
> A *breed of barren metal* of his friend?)
> But lend it rather to thine enemy;
> Who, if he break, thou may'st with better face
> Exact the penalty."

It is perhaps treating this very puerile conceit with more respect than is due to it, to quote, by way of reply, the following consideration, which, one would suppose, (as an ingenious writer of our own time remarks,) might naturally enough have occurred to a man of Aristotle's penetration; more particularly when we consider "the great number of pieces of money that had passed through his hands; more, perhaps, than were passed through the hands of philosopher before or since!" "That though a *daric* would not beget another *daric* any more than it would a ram or a ewe, yet for a daric which a man borrowed, he might get a ram and a couple of ewes, and that the ewes, if the ram were left with them a certain time, would probably not be barren. That, then, at the end of the year, he would find himself master of his three sheep, together

[1] Gibbon, [*Decline and Fall*, chap. xliv., footnote.]

with two, if not three lambs; and that if he sold his sheep again to pay back his daric, and gave one of his lambs for the use of it in the meantime, he would be two lambs, or at least, one lamb richer than if he made no such bargain."

The passage of Aristotle to which the foregoing remarks relate, occurs in the tenth chapter of the First Book of his *Politics*, and is sufficient of itself to enable us to form a judgment of the propriety of a censure which a late writer has bestowed on Mr. Smith and Mr. Hume, as well as on the sect of French writers known by the name of *Economists*, as if they had borrowed from Aristotle, without the smallest acknowledgment, the fundamental principles of their theories of Political Economy.* When we consider how much the interest of money enters as an element into all commercial speculations in modern times, is it possible to imagine there should be anything more than the most general and accidental coincidence between the reasonings of such writers as Hume and Smith, and those of an author, whose experience of the nature and effects of commerce was so limited as to impress his mind with a conviction, that to receive a *premium* for the use of money was inconsistent with the rules of morality?

The same sentiments with respect to *usury*, (*fœnus*,) (under which title was comprehended every *premium*, great or small, which was received by way of interest,) occurs in the Roman writers. "Concerning the arts," says Cicero, in his First Book of *De Officiis*, "and the means of acquiring wealth, which are to be accounted liberal, and which mean, the following are the sentiments usually entertained. Those means of gain are in least credit which incur the hatred of mankind,—as those of tax-gatherers and usurers."† The same author (in the Second Book of the same work) mentions an anecdote of old Cato, who being asked what he thought of lending money upon interest, answered, "What do you think of the crime of murder?"‡ The comparison certainly appears to us extrava-

* [Mr. Stewart refers to Dr. Gillies. See a note in his translation of the *Politics* of Aristotle, p. 38, *seq.*, first edit.]

† [Cap. xlii.]

‡ [Cap. xxv.]

gant and absurd in the extreme; and yet (as I formerly had occasion to observe) the very same language was held in the English House of Commons about two centuries ago.

The regulations of the Jewish Lawgiver on this subject are more peculiarly interesting to us, as they have had a more immediate influence upon the opinions that have prevailed in Modern Europe.

"Thou shalt not lend," it is said, "upon usury to thy brother: usury of money, usury of victuals, usury of anything that is lent.—Unto a stranger thou mayst lend upon usury, but unto thy brother thou shalt not lend upon usury, that the Lord thy God may bless thee in all that thou settest thy hand to in the land whither thou goest to possess it."*

From this prohibition in the Mosaic Law, the primitive Christians were led to conclude, that the practice of usury was in all cases inconsistent with their profession, inasmuch as the Christian dispensation having abolished the distinction betwixt Jew and Gentile, the same liberality which Moses had enjoined towards their own nation, became necessarily incumbent on them towards all mankind; and accordingly, there is no crime against which the Fathers in their homilies declaim with more vehemence. "On this point," Mr. Gibbon remarks,† "they are quite unanimous;" and refers in support of his assertion to Barbeyrac's *Morale des Pères*, and a learned work by Gerard Noodt, *De Fœnere et Usuris*. The same abhorrence of usury of every kind appears in the Canon Law, insomuch that the penalty of that law is excommunication; nor is the usurer allowed burial until he has made restitution of what he had gained in the exercise of this iniquitous profession, or security was given that restitution should be made after his death.

A circumstance which probably contributed not a little to strengthen this prejudice, was the hatred which the Christians in former ages entertained against the Jews and all their opinions and practices. To lend money on interest was to engage in a trade rendered infamous in the general estimation by the

* [*Deuteronomy*, xxiii. 19, 20.]

† [*Decline and Fall*, Chap. xliv., footnote.]

character of those who most frequently carried it on; and (as an ingenious and lively writer remarks) "it was an easier method, and a method pretty much in vogue in these scrupulous times, to let the Jews get the money anyhow they could, and then squeeze it out of them as it was wanted."*

The authority of Aristotle, which was for a long time almost despotic over the Christian world, co-operated powerfully with the causes now mentioned, in checking the natural progress of human reason upon a subject, about which it appears to us somewhat surprising that there could ever exist a diversity of opinion.

The influence of these ideas has extended to times of a much more recent date. About the middle of last century they were entertained by the most eminent divines of the Church of England, who frequently preached against every species of usury, even that which was permitted by law; contending, that although law sanctioned a certain rate of interest to prevent greater evils, and in compliance with the general corruption of men, (in the same manner as the law of Moses authorized Polygamy,) yet the rules of morality did not justify this practice in any case whatever. And the same doctrine was maintained by some lawyers in a debate in the British House of Commons, a considerable time after the commencement of the present century.

These prejudices seem now to be completely exploded in every part of Europe, insomuch that it appears to be almost as absurd to offer a serious argument against them, as it would be to defend them. A learned author, however, and of the Catholic Church, who published last year (1797) a *Treatise upon the Law of Usury and Annuities*, (Mr. Plowden of the Middle Temple,) would seem to be of a different opinion, having employed no less than fifty-nine pages of his work in considering the Law of Usury in a spiritual view, in order to establish the following general conclusion: That "it is not sinful but lawful for a British subject to receive legal interest for the money he may lend, whether he receive it in annual

* [Montesquieu, *Esprit*, &c., XXI. xvi.]

dividends from the public, or in interest from private individuals who may have borrowed it upon mortgage, bond, or otherwise."[1] M. Necker, too, in the notes annexed to his *Eloge on Colbert*, (published about eighteen years ago,) thought it necessary for him to offer an apology for the freedom with which he ventured to discuss some political questions concerning interest, by reminding his readers, that he reasons upon this subject, merely as a statesman and not as a divine. "Ce que je dis de l'Intérêt est sous un point de vue politique, et n'a point de rapport avec les respectables maximes de la religion sur ce point."

The facts and observations which have hitherto been stated, relate chiefly to the *History* of the prejudice against usury. I hope, however, they will be found to be not altogether unconnected with the reasonings which are to follow, as they shew that it has not been confined to men educated under particular religious systems, and that therefore its origin must be sought for in those political and moral circumstances which extended in common to the different ages and nations among whom it has prevailed.

Among these circumstances, there is one which obviously presents itself to our notice, as discriminating remarkably the states of society in the ancient and modern worlds; I mean the difference in point of extent between the ancient and modern *commerce*.

In those nations of antiquity with whose history we are best acquainted, and to whom the foregoing observations relate, there does not seem to have been anything that bore a resemblance to the commerce of modern Europe. The Tyrians, indeed, the Sidonians, and the Carthaginians were commercial nations; but what were their notions concerning money-loans we are left to conjecture, having no records to guide our researches. The sentiments which prevailed at Athens and Rome on the subject of trade are well known. Plato asserts in his book *De Legibus*, that it had been better for the Athenians to have continued to send annually the sons of seven of their principal citizens to be

[1] *British Critic*, for April 1798.

devoured by the Minotaur, than to have changed their ancient manners, and to have become a maritime power; and Aristotle, although he frequently discovers a predilection for opinions contrary to those of his master, does not venture to contradict him in this particular. The prejudices of the Romans against the lucrative arts and professions were still more inveterate. Among such nations, accordingly, *money-loans* would be much less regarded in their relation to commercial speculations, than as subservient to the wants of the necessitous; and the epithet *barren*, which Aristotle applies to money, shows plainly that it was in this point of view he considered them. Discreditable, however, as the trade of a money-lender was at Rome, a certain rate of interest was permitted by law, and a variety of regulations with respect to it established, which M. Dupuy has illustrated with much learning in the *Appendix to his Memoir on the Roman Money.* An interesting abstract of this Essay may be found in Paucton's *Métrologie.* Usury is called by Mr. Gibbon "the inveterate grievance of Rome." "After being discouraged," he observes, "by the Twelve Tables, and abolished by the clamours of the people, it was revived by their wants and idleness, tolerated by the discretion of the Prætors, and finally determined by the Code of Justinian. Persons of illustrious rank were confined to the moderate profit of four per cent.; six was pronounced to be the ordinary and legal standard of interest; eight was allowed for the convenience of manufacturers and merchants; and twelve was granted to nautical insurance; but except in this perilous adventure, the practice of exorbitant interest was severely restrained."[1]

A very remarkable, and indeed singular instance of legislative refinement on the subject of *money loans*, in times of the most remote antiquity, is mentioned by Sir William Jones in his *Third Discourse*, published in the *Asiatic Researches.* "In the first of the Sacred Law Tracts," he observes, "which the Hindoos suppose to have been revealed by Menu some millions of years ago,"—and which Sir William himself refers to a date long prior to the Christian era,—"there is a curious

[1] Vol. VIII. p. 87, [Chap. xliv.]

passage on the legal interest of money, and the limited rate of it in different cases, with an exception in regard to adventures at sea;—an exception," says Sir William Jones, "which the sense of mankind approves, and which commerce absolutely requires; though it was not before the reign of Charles I. that our English jurisprudence fully admitted it in respect of maritime contracts." In this, however, as in many other instances of the information we have lately received from that quarter of the globe, we can only indulge our wonder, without possessing sufficient *data* to serve as a groundwork for satisfactory speculation.

The low state of commerce in Greece and Rome, and the contempt in which it was held by those who governed public opinion, sufficiently account for the prejudice against *loans for interest*, so strongly expressed by their philosophers and statesmen; and *this* authority sanctioned by some passages in the Mosaic Law, naturally produced a still greater detestation for the practice in modern Europe, at a time when its commerce was confined to a few cities in Italy, or to the Hanse Towns, and when the only persons who exercised this trade, were held in universal odium on account of their religious principles. Indeed, abstracting entirely from these accessory circumstances, *loans for interest* can scarcely be looked on in a favourable light, except in connexion with an active and enterprising *commerce;* and it is only during the last three centuries that this has become an object of universal and of ardent pursuit, giving a commencement to those mighty changes which it seems destined to accomplish in the condition of the human race. *The commerce of money among different nations*, so wonderfully facilitated by *bills of exchange*, is a branch of trade altogether of modern origin.

In a state where there is little or no commerce, the great motive for borrowing is *necessity;* and the only motives for *lending* must be *humanity* or *avarice*. In the *former* case, as the lender only advances a sum of money which would otherwise have remained useless in his chest, the same disposition which induced him to succour the distressed will, *in general*,

prevent him from accepting a *premium* for an act of beneficence. In the case of lenders of a different description, who are anxious to turn to their own account the necessities of their fellow-creatures, it is reasonable to presume that their dealings will be governed by the same spirit which, in a commercial country, characterizes pawnbrokers, and others who make a traffic of the miseries of the poor. The value of a loan to an individual who is in want of bread, cannot be ascertained by calculation, as it may be when money is borrowed for the purposes of trade. The relief of the present moment seems cheaply purchased at any price, of which the payment is to be delayed to a distant day; and it is not judging too harshly of human nature to suppose, that the demands of the lender, whose temper leads him to make a profession of this species of gaining, will rise in proportion to the distress of the borrower, and to the risk he runs of losing the principal. In a country, therefore, where there is no commerce, every money-lender who accepts of interest will be regarded in the same odious light in which pawnbrokers are considered among us; and the man "who putteth out his coin to usury," will be naturally classed (as he is in the words of Scripture) with "him who taketh a reward against the guiltless."*

A very striking illustration of the effects which are naturally produced on the character by that sort of speculation, which has for its object the necessities of the poor, occurs in the history of the charitable corporation which was established about the year 1730, with the professed view of lending money to the poor upon pledges, so as to prevent their oppression by pawnbrokers. Many characters, respectable from rank, fortune, and reputation, belonged to this corporation; but, in a short time, they were so corrupted by the trade they carried on, and the public cry was so loud against the iniquity of their transactions, that the House of Commons found it necessary to make a parliamentary inquiry into their conduct, the consequence of which was, that the corporation was broken, and three of the managers who were members of the House were expelled.

* [See *Psalm* xv. 5.]

These remarks, while they account for the origin of the opinions concerning the practice of taking interest for money among those nations of antiquity whose commercial transactions were few and insignificant, will be sufficient, at the same time, to establish its reasonableness and equity in countries where money is most commonly borrowed for the purposes of commercial profit, and where, of consequence, the use of it has a fixed and determinate value, depending, like that of any commodity in general request, on the circumstances of the market at the time. In such countries both parties are benefited by the transaction, and even the state is a gainer in the end. The borrowers of money are frequently among the most opulent of the community, who wish to enlarge their capitals and extend their trade, and who, by doing so, are enabled to give farther encouragement to industry, and to supply labour and bread to the indigent.

It is not a little remarkable that John Calvin appears to have been one of the first who extricated himself entirely from the ancient prejudices on this subject. "Pecunia non parit pecuniam. Quid mare quid domus, ex cujus locatione pensionem percipio? an ex tectis et parietibus argentum proprie nascitur? Sed et terra producit, et mari advehitur quod pecuniam deinde producat, et habitationis commoditas cum certa pecunia parari commutarive solet. Quod si igitur plus ex negotiatione lucri percipi possit, quam ex fundi cujusvis proventu: an feretur qui fundum sterilem fortasse colono locaverit ex quo mercedem vel proventum recipiat sibi, qui ex pecunia fructum aliquem perceperit, non feretur? et qui pecunia fundum acquirit, annon pecunia illa generat alteram annuam pecuniam? Unde vero mercatoris lucrum? Ex ipsius, inquies, diligentia atque industria. Quis dubitat pecuniam vacuam inutilem omnino esse? neque qui a me mutuam rogat, vacuam apud se habere a me acceptam cogitat. Non ergo ex pecunia illa lucrum accedit, sed ex proventu. Illæ igitur rationes subtiles quidem sunt, et speciem quandam habent, sed ubi propius expenduntur, reipsa concidunt. Nunc igitur concludo, judicandum de usuris esse, non ex particulari aliquo Scripturæ loco, sed tantum ex

acquitatis regula."* To those who are acquainted with the prevailing sentiments of Calvin's time, this passage cannot fail to be an object of curiosity.

Notwithstanding, however, this diversity of circumstances in the condition of ancient and modern nations, and the important changes it has operated on their opinions, it has by no means produced universally the effects which might have been expected. A certain rate of interest is indeed allowed by law, and no person doubts of its being perfectly fair and honourable to receive it; but everything above this legal rate is reprobated under the name of *usury*, as a crime of a very heinous nature, and, till the time of Queen Anne, was punished with confiscation of the usurer's whole moveables, the punishment being mitigated, since that period, to the forfeiture of thrice the sum usuriously lent. In order, too, to repress the crime still more effectually, our law allows of methods for the probation of it, which are contrary to the general maxims of common law. If there is a written bond in the hands of the usurer, he may be forced to exhibit his own bond in order to convict himself, contrary to the common maxim, *nemo tenetur edere instrumenta contra se.* And where the crime cannot be proved otherwise, it may by the usurer's oath, contrary to the maxim which is received in other cases, *nemo tenetur jurare in suam turpitudinem.*

There can be little doubt that these laws originated at first in prejudices which took rise in a very different state of society, but they have been powerfully supported by some considerations which have been generally supposed to demonstrate their political and commercial expediency. A few writers only have ventured to call this in question, and to express their doubts, whether the rate of interest should not be left, like the terms of other contracts, to be adjusted by the discretion of the parties. Among these, Mr. Bentham, of Lincoln's Inn, has particularly distinguished himself, in a very ingenious Treatise, entitled, *A Defence of Usury*, [1787,] in which he attempts to prove, "that no man of ripe years and of sound mind, acting freely and with

* [*Epistolæ.* Quoted also in *Dissertation*, (*Works*, Vol. I.) p. 530.]

his eyes open, ought to be hindered, with a view to his advantage, from making such bargain in the way of obtaining money as he thinks fit; nor anybody hindered from supplying him upon any terms he thinks proper to accede to."* The late Dr. Reid, too, in an Essay, read a good many years ago before a literary society in Glasgow, maintained nearly the same proposition, and argued in support of it upon principles very similar to those employed by Mr. Bentham. Nor has the opinion been confined to our own country; for it is maintained by several very eminent French writers, by M. Turgot, for example, and the whole sect of the Economists; and it has been actually brought to the test of experience in different commercial states, particularly in Holland and at Hamburgh.

The following passage from Turgot deserves to be quoted, as it states with equal clearness and conciseness the point on which the question turns:—

"It is an error to believe that the interest of money in trade ought to be fixed by the laws of princes. It has a current price, like that of all other merchandise. This price varies a little, according to the greater or less security which the lender has; but, on equal security, he ought to raise and lower his price in proportion to the abundance of the demand; and the law no more ought to fix the interest of money than it ought to regulate the price of any other commodities which have a currency in trade."

I quote this passage from Turgot's *Reflections*, &c.;† but he has treated the subject at much greater length in a separate Essay, entitled, *Mémoire sur le prêt à Intérêt et sur le Commerce des Fers.*

At a much earlier period I find the same doctrine advanced by the celebrated Mr. Law, in a memorial presented by him (before his elevation to the ministry) to the Regent Duke of Orleans. This paper is entitled, *Mémoire sur l'Usage des Monnoyes, et sur le Profit ou la perte qu'il peut y avoir pour un Prince et pour un Etat, dans l'Altération du Titre des bas Monnoyes, et dans l'Augmentation ou la Diminution de leur*

* [Letter I. *Works*, Vol. III. p. 3.] † [*Œuvres*, Tom. V. p. 88.]

prix par rapport aux Etats voisins.[1] "L'Intérêt de la monnoye ne doit pas être réglé par le Prince. Je suppose qu'elle vaut présentement à gênes quatre pour cent, qu'on attend des vaisseaux d'Espagne avec des grosses sommes, si ces vaisseaux arrivent heureusement, l'intérêt baissera à trois. S'ils n'arrivoient pas, ne dois-je pas en profiter, et faire valoir mon argent cinq pour cent?

"Le monnoye est comme une marchandise. J'ai un magazin de draps d'Angleterre, qui valent six livres la palme. Si le Prince régloit le prix de nos draps à six livres, il me feroit tort; car s'il arrive une quantité de draps, je ne trouverai plus à vendre les miens à six livres, je serai obligé de m'en défaire à moins, et le Prince ne me bonifiera pas le perte.

"Si ces draps n'arrivent pas, comme je cours le risque de la perte, ne dois-je pas jouir du bénéfice que le prix naturel de mes draps me donne alors?

Pour réduire l'intérêt, il faut rendre le monnoye moins valable, en augmentant la quantité, ou en diminuant la demande. Il y a deux cent ans que l'intérêt était à dix pour cent, présentement il est à cinq, et en quelques endroits à trois pour cent; mais ce n'est pas la loi qui l'a détruit, *c'est l'augmentation de la quantité de monnoye depuis la découverte des Indes.*"

In a note upon this passage by the author of the French work in which Law's Memoir is published, the following remark is made:—

"Les principes exposés jusqu'ici par M. Law sont d'une évidence à laquelle il est impossible de se refuser de bonne foi avec un esprit juste. Mais ici il commence à s'éloigner du vrai, pour avoir vu les choses trop en générale, sans faire attention aux circonstances particulières; et son système étoit une conséquence de ce qu'il avance ici sur l'intérêt de l'argent. Si la circulation étoit fort rapprochée de son ordre naturel, il est probable que les princes n'auroient pas besoin de régler les taux de l'intérêt. Mais comme dans les Royaumes où la circu-

[1] Published in the second volume of a work entitled, *Recherches et Considérations sur les Finances de France depuis l'Année* 1595, *jusqu'à l'Année* 1721.

lation paroit le mieux établie, il ne laisse pas de subsister un nombre infini de causes d'obstruction, les propriétaires de l'argent composent toujours le plus petit nombre, ainsi ils exercent un véritable monopole."

In support of this remark, a reference is made to a *Dissertation on Interest*, printed in the same volume, page 477, et *seq.*

In this Dissertation, after stating some reasons *against* a legal rate of interest, the author adds:—"Il s'ensuit que le prix de l'argent ne devroit être fixé plus que celui des autres denrées, dont l'abondance ou le rareté règlent le prix: mais la dureté et l'avidité des créanciers, les troubles que leurs rigueurs ont excités en divers états, la facilité plus évidente de convertir l'argent en monopole à la faveur même des gros intérêts que toute autre denrée; enfin depuis les conseils de la charité Chrétienne ont engagé les Législateurs à intervenir dans une convention qui devoit être libre de sa nature."

The same author speaks afterwards of the opinion which reprobates the interference of legislative authority in this particular, as having been *first* broached in France by Mr. Law. "Une opinion apportée en France pour la première fois par M. Law; c'est que l'état ne doit jamais donner de réglemens, sur le taux de l'intérêts."

"Cette opinion," he continues, "*vrai en soi*, a cessé de l'être dans la pratique par diverses circonstances, et peut-être le seroit-elle encore, si jamais les Législateurs ne fussent intervenus dans ces sortes de réglemens.[1] Mais une fois qu'ils se sont chargés de ce soin, il sembleroit à craindre que jamais la bénéfice d'une diminution ne fût générale dans un état. L'expérience prouve du moins que l'ancien taux fournit toujours aux futures des moyens de difficultés et d'embarras qui tiennent l'intérêt au dessus de son cours naturel. L'emploi de l'argent dans les effets publics se fait aujourd'hui sur le pied de quatre à quatre et demi pour cent, et le prêt marchand continue d'être à six," &c. &c. The reasoning which follows is so inconclusive, that it is not worth while to transcribe it.

[1] Locke's opinion on the subject seems to coincide with this very nearly. See his *Works*, Vol. II. p. 31. [(First) *Considerations on Interest and Money.*]

On the other hand, the *prevailing* ideas among our commercial politicians in this island are (if I am not mistaken) in favour of our existing laws; and they are supported by an authority justly entitled to the highest respect on all questions of Political Economy, that of Mr. Adam Smith.* Indeed, I do not recollect that any writer of note (excepting the two already mentioned) have ventured to dispute the expediency of this part of our code; although a pretty strong presumption obviously presents itself against it, from the example of the Dutch and Hamburghers, and the total silence of our political writers on the subject during the ten years that have elapsed since the publication of Mr. Bentham's *Essay*. A very competent judge, Sir Francis Baring, in his late Pamphlet, *On the Bank of England*, [1797,] has not scrupled to say that Mr. Bentham's *Essay* still remains unanswered, for the best of all possible reasons, that it is perfectly unanswerable.

Another very obvious consideration, which may well excite our curiosity in examining the expediency of our existing laws on this subject, is suggested by the variations in the rate of interest (whether established by law or by custom) among different nations, and in the same nation at different periods. Among the Romans, till the time of Justinian, we find it as high as twelve per cent. In England, so late as the time of Henry VIII., we find it at ten per cent. Even at present in Ireland, it is at six per cent.; and in the West Indies at eight per cent.; and in Hindostan, where there is no rate limited by law, the lowest customary rate is ten or twelve. At Constantinople, in certain cases, thirty per cent. is said to be a common rate. Now, of all these widely different rates, what one is there that is intrinsically more proper than another? What is it that evinces this propriety in each instance?—what but the mutual convenience of the parties, as manifested by their consent? It is convenience, then, that has produced whatever there has been of custom in the matter; what can there then be in custom to make it a better guide than the convenience which

* [*Wealth of Nations*, Book II. chap. iv.; Vol. II. p. 44, tenth edition.]

gave it birth? and what is there in convenience that should make it a worse guide in one case than in another? It would be convenient to me to give six per cent. for money: I wish to do so. "No," says the Law, "you shan't." Why so? "Because it is not convenient for your neighbour to give above five for it." The absurdity of the reason surely does not stand in need of any comment.

Much has not been done as yet by legislators in order to fix the price of other commodities; and in what little has been done the wisdom of their regulations is very far from being generally acknowledged. Putting money out at interest, is exchanging present money for future; but why a policy, which, as applied to exchanges in general, would be commonly deemed absurd and mischievous, should be deemed necessary in the instance of this particular kind of exchange, is a proposition about which it is surely reasonable to hesitate, till it has been carefully considered. For him who takes as much as he can get for the use of a house, or of any other article of value, there is no particular appellation, nor any term of reproach: nobody is ashamed of doing so, nor is it usual so much as to profess to do otherwise. Why a man who takes as much as he can get, be it six, or seven, or eight, or ten per cent. for the use of a sum of money, should be called *usurer*, or loaded with any other opprobrious name, any more than if he had bought a house with it, and made a proportionable profit by the house, it is not easy to imagine; upon that general view of the question, at least, which first presents itself to our notice.

I proceed, therefore, now to a closer examination of the subject; for which purpose I shall consider, *First*, the various arguments that have been alleged in favour of that limitation of interest which is fixed by our laws;—after which I shall [*Secondly*] point out some of the inconveniences which these laws seem likely to produce. In *both* discussions I shall avail myself, without scruple, of the ideas of Mr. Bentham, wherever they appear to me to be useful for establishing the conclusions I have in view.

Before, however, I enter on the general question, I think it necessary to remark, that those who dispute the expediency of anti-usurious laws, argue against these laws only so far as they are supposed to abridge the liberty of the contracting parties; for in cases where there is no contract, it seems to be manifest that the rate of interest should be fixed by law. Such cases may happen from many different causes. When a sum of money, for instance, becomes due, the right to it is litigated by the debtor. The litigation continues for years, the money in the meantime remaining in the hands of the debtor. At last he is found not only to have disputed the debt on insufficient grounds, but not even to have had what the law calls a *probabilis causa litigandi.* Here it is just that he not only pay the principal but the interest on it, while the money, in consequence of his unfounded claim, was withheld from the creditor; and in such a case it is necessary that the rate of interest should be determined by law. Again, suppose a man is abroad when a sum falls due to him, and that he has no attorney who has power to receive it, the debtor keeps it in his hand and uses it for years; here there is no contract to fix what the rate of interest shall be, and therefore it is proper that law should supply the defect. The case of tutors who have the administration of the money of minors is very similar.

In these cases, and others of like nature, where there was not any bargain between the parties what the rate of interest should be, it seems proper and necessary that it should be determined by law. And for this purpose two different plans might be proposed: *First*, by a constant rate fixed at once by the Legislature, to take place in all cases, without regard to the casual variations of the market rate; a plan which is adopted in our own country, where five per cent. has been fixed ever since the reign of Queen Anne, as the rate which may be legally demanded if no express stipulation has been made to the contrary. Or, *Secondly*, the rate of interest payable in cases where there is no contract, might be fixed annually by a jury, as near to the market rate for the time as can be done; in like

manner as the price of grain in Scotland is fixed annually by a jury in what is called *the fiars*.

Taking for granted, therefore, as a point about which there cannot be any dispute, that there ought to be a fixed rate of interest for the adjustment of all differences that may arise among parties who have not previously settled the terms of their money-contracts, let us consider the reasons that may be alleged for a legal rate by which the terms of every such contract are to be restrained within certain limits.

Of these reasons one of the most plausible is founded on the expediency of maintaining, as far as possible, habits of economy in the great body of a people, and of checking the thoughtlessness and extravagance of those who are in danger of ruining their fortunes by *prodigality*. Were it not for this class of men, Sir James Steuart is of opinion that there would be no occasion for a statute to regulate the rate of interest. "The profits of trade," he observes, "would strike an average among the industrious classes, and that average would fall or rise, in proportion to the flourishing or decay of commerce."[1] A case, therefore, which appeared to this ingenious and profound writer to be so strong as of itself to justify the policy of Anti-usurious Laws, will require to be considered with particular attention.[2]

In examining the grounds on which this opinion rests, I shall wave entirely the general question, whether it ought to be one of the objects of law to impose restraints on the prodigality of spendthrifts. It is sufficient for our purpose to remark, that in so far as this is the aim of the Anti-usurious Laws, they are altogether inadequate to the end proposed.

In proof of this, let us attend to the situation in which persons of this description are placed: *First*, on the supposition that the prodigal has some security to offer for the money he borrows; and, *Secondly*, on the supposition that he has none.

In the *first* case, it seems to be abundantly manifest, that so

[1] *Political Œconomy*; [Book IV. chap. iv.; *Works*, Vol. III. p. 158.]

[2] Mr. Locke, too, rests his opinion of the expediency of these laws nearly on the same consideration, Vol. II. p. 31. [(First) *Considerations on Interest and Money*.]

long as the prodigal has any thing to pledge or to dispose of, whether in possession or even in reversion, no Anti-usurious Laws can be efficacious in checking his extravagance. While he has ready money of his own, or effects which he can turn into ready money without loss, he will never think of borrowing money to spend; and when at last these resources fail him, so long as he has *security* to give, equal to that upon which money is to be had at the highest ordinary rate, he has no occasion, nor is at all likely to borrow money at an extraordinary interest. It is true that from persons of this disposition regular payment of interest is not to be expected; but supposing the money-lender to be satisfied with the security, he will seldom hesitate about the loan, in consequence of any apprehensions founded on the character of the borrower. On the contrary, Mr. Bentham observes, that where the security is good, there will be always found a sufficient number of money-lenders, with whom a disposition to prodigality will operate as a recommendation. In confirmation of this he mentions the advantage to be made in case of mortgage, by foreclosing or forcing a sale; an advantage which, he says, is not uncommonly looked for in transactions of this nature, "as is well known to all who have had occasion to observe the course of business in the Court of Chancery."*

It remains for me only to mention, under this head, the case of those who, although they have no real or good security to offer, have some contingency in prospect, which they may wish to avail themselves of, in supporting their credit. In such instances there will be found, no doubt, money-lenders, who (if there were no laws to the contrary) would be willing to run the risk for an extraordinary profit: And it may be imagined that the penalties on usury may be useful in preventing the prodigal from advancing farther in his ruinous career. But is this really the case? So much the reverse that our Anti-usurious Laws only aggravate the evil they are meant to remedy. The following dilemma may be fairly stated on the subject:—Either these laws are effectual in restraining usury,

* [*Defence of Usury*, Letter iii.; *Works*, Vol. III. p. 6.]

or they are not. If they are perfectly effectual in restraining usury, they drive the prodigal to despair, and force him to sell his contingency. If they are not effectual, they are in so far nugatory; and what is worse by the penalties which await the usurer in the event of a discovery, they enhance the demand which he makes on the borrower.

With respect to the *second* class of prodigals, those who have no security to offer, either of a certain or of a contingent nature, a very few words may suffice. If they are able to raise any money, it can only be lent on the score of friendship or of humanity; in either of which cases an extraordinary rate of interest is out of the question. From those who make a trade of money-lending, they have nothing to expect either at the ordinary or at an extraordinary rate:—And the very circumstance of offering the latter, would amount to a confession of that desperate state of credit and of character, which has exhausted all the common resources of attachment and generosity.

The way in which prodigals run into debt, after they spend their substance, is in general, by borrowing of their friends and acquaintance, at ordinary interest, or more commonly at no interest, small sums, such as each man may be content to lose, or be ashamed to ask real security for. This is the race which prodigals, who have spent their all, run at present, under the actual system of restraining laws; and this, and no other, would be the race they would run, if these laws had no existence.

In order to complete this argument with respect to the inefficacy of Anti-usurious Laws as a restraint on prodigality, the following consideration is very forcibly stated by Mr. Bentham. "In spite," says he, "of all laws against usurers, there is another set of people from whom prodigals get what they want, and always will get it so long as they have any credit remaining, and should they find it necessary, at an expense more than equal to any excess of interest they might have to give; I mean the tradesmen who deal in the goods they want. Everybody knows it is much easier to get goods than money. People

trust goods upon much slenderer security than they do money. It is very natural they should do so; ordinary profit of trade upon the whole capital employed in a man's concerns, even after the expense of warehouse rent, journeyman's wages, and other such general charges are taken into the account, is at least equal to double interest, or ten per cent. Ordinary profit upon any particular parcel of goods must, therefore, be a great deal more: Suppose—for the sake of illustration—fifteen per cent. in the way of trading, then a man can afford to be at least three times as adventurous, as he can in the way of lending, and with equal prudence. So long, then, as a man is looked upon as one who will pay, he can much easier get the goods he wants, than he could get the money to buy them with, though he were content to give for it twice, or even thrice, the ordinary rate of interest.

From these considerations it appears how very idle it is preventing a man from making six or seven, or eight per cent. interest, when, if he chooses to run a proportionable risk, he may in this way make thirty or forty per cent., or any rate you please. And, as to the prodigal, if he cannot get what he wants upon these terms, what chance is there of his getting it upon any terms, supposing the laws upon usury to be repealed? This, then, is another way, in which, instead of serving, it injures him, by driving him from a market which might have proved less disadvantageous, to a more disadvantageous one: and consequently, the effect of the Anti-usurious Laws with regard to prodigality, if they have any effect, is to increase the evil complained of.

Besides prodigals, there are *three* other classes of persons for whose security these restrictive laws may be supposed to have been designed. The *first* is the *indigent;* the *second, the interprising and adventurous,* (or, in one word, *projectors;*) the *third,* those whose *simplicity* renders them incompetent to the management of their own concerns.

As for the *first* class, the inexpediency of the Anti-usurious Laws (in so far as *they* are interested) follows as an obvious consequence from the unlimited variety of situations, in respect

of the degree of *exigency* in which the *indigent* may be placed. No principle can well be conceived more indisputable than this, that the consideration a man pays for borrowed money ought, in prudence, to vary with the advantage he expects to derive from the use of it, or the need he may have of the money at the time; and therefore, as the *advantage* or the *necessity* admits of an undetermined number of degrees, so may the terms of the loan, considered merely in a prudential point of view. If, for example, one man can make eleven per cent. by the use of money, where another can make but ten, six per cent. may be as prudentially given by the former, as five per cent. by the latter. In like manner, on the other hand, if an apprehended loss would amount to eleven per cent., six per cent. would be as reasonable and prudential a consideration to stipulate, as five per cent. would be in the case of a borrower who had a loss amounting to ten per cent., from which to save himself by the same means. And in any case, though in proportion to the amount of the loss, the rate of interest were ever so great, as that the clear saving should not amount to more than one per cent., or any fraction per cent.; yet so long as it amounted to anything, he would be just so much the better for borrowing, even on such comparatively disadvantageous terms. If, instead of gain, we put any other kind of benefit or advantage—if, instead of loss, we put any other kind of mischief or inconvenience, of equal value, the result will be the same.

The conclusion to which these observations lead is plainly this,—that as no legislator can judge so well as each individual for himself, whether money is worth to him anything, and how much beyond the ordinary interest, the interference of law in regulating the terms of money contracts, is not only officious and useless, but is actually prejudicial to those whom it is meant to serve.

With respect to the *second* class of men, whose rashness the Anti-usurious Laws may have a tendency to restrain, (I mean *projectors*,) the operation of these laws will require a more ample consideration; because, in this instance, they have found an advocate in no less an author than Mr. Smith, whose general

principles concerning the freedom of trade and of industry, one should naturally have expected, would have inclined him to the opposite opinion. Here, however, Mr. Smith has met with a very acute and able antagonist in Mr. Bentham, who has subjoined to his *Defence of Usury*, a Letter addressed to Mr. Smith, containing a variety of remarks on the pernicious effects of our present laws, in consequence of the discouragements which they oppose to the progress of inventive industry. These remarks seem to me to present unanswerable objections to this part of Mr. Smith's system.

The passage in the *Wealth of Nations* in which the opinion in question is stated, is as follows,—

"The legal rate, it is to be observed, though it ought to be somewhat above, ought not to be much above the lowest market rate. If the legal rate of interest in Great Britain, for example, was fixed so high as eight or ten per cent., the greater part of the money which was to be lent, would be lent to prodigals and projectors, who alone would be willing to give the high interest. Sober people who will give for the use of money no more than a part of what they are likely to make by the use of it, would not venture into the competition. A great part of the capital of the country would thus be kept out of the hands which were most likely to make a profitable and advantageous use of it, and thrown into those which were most likely to waste and destroy it. Where the legal interest, on the contrary, is fixed but a very little above the lowest market rate, sober people are universally preferred as borrowers to prodigals and projectors. The person who lends money, gets nearly as much interest from the former as he dares to take from the latter, and his money is much safer in the hands of the one set of people, than in those of the other. A great part of the capital of the country is thus thrown into the hands in which it is most likely to be employed with advantage."*

That there is somthing not altogether sound in the principles implied in this passage, might, I think, be naturally suspected, from the following consideration, that the law, and therefore

* [Book II. chap. iv.; Vol. II. pp. 44, 45, tenth edition.]

the censure passed on projectors by the approbation given to that law, admits of no discrimination in favour of the reasonable and meritorious individuals who may frequently be comprehended under that invidious denomination. The censure falls upon all such persons as, in the pursuit of wealth, or even of any other object, endeavours, by the assistance of wealth, to strike into any channel of invention. It falls upon all such persons as, in the cultivation of any of the useful arts, direct their endeavours to any of those departments in which their utility shines most conspicuous and indubitable; upon all such persons as, in the line of any of their pursuits, aim at anything that can be called *improvement;* whether it consist in the production of any new article adapted to man's use, or in the meliorating the quality, or diminishing the expense, of any of those which are already known to us. It falls, in short, upon every application of the human powers in which ingenuity stands in need of wealth for its assistant. Mr. Smith himself plainly uses the word *project* in the most extensive acceptation of that term. "The establishment of any new manufacture," he remarks in another part of his work, "of any new branch of commerce, or of any new practice in agriculture, is a speculation from which the projector promises extraordinary profits. These profits," he adds, "are sometimes very *great*, and sometimes, *more frequently perhaps*, they are quite otherwise; but in general they bear no regular proportion to those of other old trades in the neighbourhood. If the project succeeds, they are commonly at first very high. When the trade or practice becomes thoroughly established and well-known, the competition reduces them to the level of other trades."*

The question, therefore, comes plainly to this, *not* whether it would be useful to the public to discourage rash and useless projects, but whether it would be useful to discourage the projecting spirit in general. Indeed, it is only in this last way that our present laws can have any effect, by lessening the total number of projectors, without lessening the proportion of bad to good.

* [Ibid. Book I. chap. x.; Vol. I. p. 177, tenth edition.]

That the projector cannot hope for money at the highest rate of interest which is legal at the time, because that may always be had with more safety from old established trades, is very justly remarked by Mr. Smith. But what is the consequence? That our Anti-usurious Laws operate as a check on all who are ambitious to follow the steps of those who have distinguished themselves as the benefactors of the human race. For whatever prejudice may be entertained against projects and projectors, it is nevertheless an indisputable truth, (to use the words of Mr. Bentham,) that "whatever is now the routine of trade, was at its commencement *project*, whatever is now *establishment*, was at one time innovation."*

The approbation bestowed by Mr. Smith on these laws in their particular application to *projectors*, is the more surprising, that it seems to be in direct opposition to some of his fundamental maxims. "With regard to misconduct," he observes, "the number of prudent and successful undertakings is everywhere much greater than that of injudicious and unsuccessful ones. After all our complaints of the frequency of bankruptcies, the unhappy men who fall into this misfortune make but a very small part of the whole number engaged in trade, and all other sorts of business, not much more, perhaps, than one in a thousand."†

In another passage, speaking of the effects of prodigality to retard the accumulation of National Wealth, Mr. Smith represents them as far too inconsiderable to call for the interposition of Government, and even censures, with some degree of asperity, the folly and presumption of statesmen in attempting to remedy the evil. "It is the highest presumption and impertinence in kings and ministers to pretend to *watch over the economy of private people*, and to restrain their expense, either by sumptuary laws, or by prohibiting the importation of foreign luxuries. They are themselves always, and without exception, the greatest spendthrifts in the society. Let them look well after their own expense, and they may safely trust private

* [*Defence of Usury*, Letter xiii.; *Works*, Vol. III. p. 22.]

† [*Wealth of Nations*, Book II. chap. iii.; Vol. II. p. 20, tenth edition.]

people with theirs. If their own extravagance does not ruin the state, that of their subjects never will." *

If this consideration, so forcibly stated by Mr. Smith, furnish a good argument against the interposition of law in restraining the prodigality of individuals, it concludes with tenfold force against its interference in the case of projectors; for this obvious reason, that prodigality is much more certainly ruinous, and much more common, than projecting; to which we may add, that in controlling prodigality, the law controls passion by reason; in controlling projects, it controls knowledge by ignorance.

On this last topic, nothing better can be offered than the following passage from Mr. Smith:—"What is the species of domestic industry which his capital can employ, and of which the produce is likely to be of the greatest value, every individual, it is evident, can, in his local situation, judge better than any statesman or lawyer can do for him. The statesman who should attempt to direct private people in what manner they ought to employ their capitals, would not only load himself with a most unnecessary attention, but assume an authority which could safely be trusted, not only to no single person, but to no counsel or senate whatsoever, and which would be nowhere so dangerous as in the hands of a man who had folly and presumption enough to fancy himself fit to exercise it.

"To give the monopoly of the home market to the produce of domestic industry, in any particular art or manufacture, is in some measure to direct private people in what manner they ought to employ their capitals, and must in almost all cases be either a useless or a hurtful regulation."†

Nothing certainly can be more just and satisfactory than these remarks; and we may add to them, that to limit the legal interest to a rate at which the carriers on of the oldest and best established and least hazardous trades are always glad to borrow, is to give the monopoly of the money market to the trades, against the projectors of new imagined trades; not

* [Ibid.; Vol. II. p. 27, tenth edition.]

† [Ibid. Book IV. chap. ii.; Vol. II. p. 182, tenth edition.]

one of which but must appear more hazardous than the old, were it only from the circumstance of its novelty.

It has been already observed, that the censure on projects involves all *past* improvements; and as in this extensive application of it, no person can pretend to vindicate it, who does not prefer the savage to the civilized state of society, it may be reasonably presumed that the greater part of those from whom it has proceeded, have made some tacit exception in favour of those projects which have been already brought to the test of experience. And yet, admitting the principles on which the maxim is founded to be just, they unquestionably apply with far greater force to the *past* than to the *future;* inasmuch as every unsuccessful project furnishes additional lights to those who are afterwards to follow the same career of experiment and invention.

The career of art, the great road which receives the footsteps of projectors, is beautifully and happily compared by Mr. Bentham* to a vast plain bestrewed with gulfs, such as Curtius was swallowed up in. Each requires a human victim to fall into it ere it can close; but when it once closes, it closes to open no more, and so much of the path is safe to those who follow. If the want of perfect information of former miscarriages, renders the reality of human life less happy than this picture, still the similitude must be acknowledged, and we see at once the only plain and effectual method for bringing that similitude still nearer and nearer to perfection; I mean the framing the history of the projects of time past, and the making provision for recording, and collecting, and publishing, as they are brought forth, the race of those with which the womb of futurity is still pregnant.

It is indeed comfortable to reflect, that this state of continually improving security is the natural state not only of the road to opulence, but of every other track of human life. In the war which industry and ingenuity maintain with fortune, past ages of ignorance and barbarism form the forlorn hope which has been detached in advance, and made a sacrifice of

* [*Defence of Usury*, Letter xiii.; *Works*, Vol. III. p. 26.]

for the sake of the future. The golden age, it is but too true, is not the lot of the generation in which we live; but if it is to be found in any part of the track marked out for human existence, it will be found, (we may venture to hope,) not in any part which is past, but in some part which is yet to come.

So much for the argument for Anti-usurious Laws founded on their supposed tendency to repress the hurtful rashness of *projectors*. It yet remains, before concluding this part of the subject, to say a few words on their supposed utility in protecting [the *third* class,] the *simple and inexperienced* from the arts of the fraudulent.

I have already taken notice of the great variety of circumstances on which the reasonableness of the terms of a money-contract depends, circumstances which vary with the condition of the parties between whom the contract is formed. Is it not then a most extraordinary expedient, in order to prevent the advantage which the designing may take of the weak, to confine all those, without exception, who may have occasion to engage in transactions of this nature, to one fixed rate of interest, which they are prohibited to go beyond, under the severest penalties? Is not such a regulation likely to do more mischief on the whole, than the accidental frauds which may now and then be practised on such individuals as are possessed of that degree of understanding which allows them the general management of their own affairs.

But farther, if the law thinks proper to fix the *maximum* of interest in pecuniary bargains, why does it not also fix a *minimum* with as severe a penalty upon the man who borrows at a lower rate? The borrower and lender are equally entitled to favour from the legislator, as both are to be presumed equally capable to understand their own interest. The one has the same interest in lending that the other has in borrowing; and there is nothing that should give the one an advantage over the other in making the bargain. It seems evident that the legislator goes upon the idea of those times when the borrowers were the poor and necessitous, who being liable to great oppression from the rich usurer, were entitled to favour

and protection; but the lenders now are as poor and necessitous as the borrowers. In a commercial country they are indeed more so; because they comprehend the widow, the orphan, the aged, and infirm, who often live upon the interest of a small stock. In this case, then, the law guards the rich against the oppression of the poor, when it intends only to guard the poor against the oppression of the rich. Suppose a man worth £3000, lends to a weak man of equal fortune £1000, and by imposing on his ignorance or weakness, makes him agree to pay for it six per cent., that is, defrauds his weak neighbour of £10;—the law determines that, for this fraud, he shall not only make restitution, but, moreover, shall forfeit £3000, that is, all that he has; and the forfeiture would have been the same if the fraud had only amounted to tenpence. Suppose, now, the borrower to be the sharper, and that he persuades a simpleton to lend the £1000 at four per cent. when he might have five. His crime appears to be perfectly equal to the crime we first supposed in the lender; nor is it possible for the nicest casuist to discern a grain of guilt in the one that is not in the other. Yet in the one case the law pronounces absolute ruin against the fraudulent lender, while in the other it allows the fraudulent borrower to pass altogether unpunished.

But waving these considerations, and supposing, for a moment, not only that the protection of the simple in the borrowing of money is a fair and proper object of law, but that it is in the power of the legislator in this instance completely to accomplish the proposed end, what advantage is gained so long as there are so many similar occasions, as there ever must be, where the simplicity of the individual is equally likely to make him a sufferer, and on which the legislator cannot interpose with effect, nor has ever so much as thought of interposing?

Buying goods with money, or upon credit, is the business of every day; borrowing money is the business only of some particular exigency, which in comparison can occur but seldom. Regulating the price of goods in general would be an endless task, and no legislator has ever been weak enough to think of attempting it; and supposing he were to regulate the prices,

what would that signify for the protection of simplicity, unless he were to regulate also the quantum of what each man should buy?

But in what degree soever a man's weakness may expose him to imposition, he stands much more exposed to it in the way of buying goods than in the way of borrowing money. To be informed, beforehand, of the ordinary prices of all the sorts of things a man may have occasion to buy, may be a task of considerable variety and extent. To be informed of the ordinary rate of interest, is to be informed of one single fact, too interesting not to have attracted attention, and too simple to have escaped the memory.

Even in regard to subjects whose importance might be supposed to justify a regulation of their price by the legislator, (such, as for instance, *land*,) it may be doubted whether there ever was an instance where, without some such ground as, on the one side, fraud, or suppression of facts necessary to form a judgment of the value, or at least ignorance of such facts on the other, a bargain was rescinded, merely because a man had sold too cheap, or bought too dear. Were I to take a fancy to give a hundred years' purchase instead of thirty for a piece of land, rather than not have it, where is the court that would interpose to hinder me, much less to punish the seller with the loss of three times the purchase-money, as in the case of usury? Yet, when I had got my piece of land and paid my money, repentance, were the law even so well disposed to assist me, might be unavailing; for the seller might have spent the money, or gone off with it. But in the case of borrowing money, it is the borrower always who, according to the indefinite, or short term for which money is lent, is on the safe side; any imprudence he may have committed with regard to the rate of interest may be corrected at any time. If I find I have given too high an interest to one man, I have no more to do than to borrow of another at a lower rate and pay off the first; if I cannot find another to lend me at a lower, there cannot be a more certain proof that the first was not in reality too high.

Some measures of police, indeed, might perhaps be useful in such an overgrown city as London, for checking the exorbitant impositions which are there practised in the loan of petty sums to that humble class of traders who expose their wares in the streets for sale. Mr. Colquhoun, at least, by whom this singular species of banking was first brought under the public notice, says, that it is highly injurious to the morals of those who are concerned in it; and, although something might be advanced on the other side of the question, I shall not venture to say that he is entirely wrong. The object of this trade, which is chiefly carried on by females, is to accommodate those women who sell fish and other goods on the streets, with such small sums as may be necessary for their daily demand. The usual diurnal stock is said to be five shillings, for the use of which for twelve hours they pay sixpence when the money is returned in the evening, the lender thus receiving £7, 10s. a year for every five shillings. "In contemplating," says Mr. Colquhoun, "this very curious species of banking, (trifling as it seems to be,) it is impossible not to be forcibly struck with the immense profits that arise from it. It is only necessary for one of these female sharpers to possess a capital of *seventy shillings*, or £3, 10s., with fourteen steady and regular customers, in order to realize an income of ONE HUNDRED GUINEAS a-year."* If any regulations of police should be thought necessary for correcting such practices, which originate entirely in the ignorance and bad habits of the populace in a large and luxurious city, no inference can be drawn from them to invalidate the reasonings stated by Mr. Bentham; nor would it be even fair to conclude that such transactions are universally accompanied with all the mischiefs which Mr. Colquhoun affirms arise from this practice, as carried on at present. The truth is, that Mr. Colquhoun does not seem to be sufficiently aware of the circumstances which justify the equity of a lender in exacting a higher proportional premium for the loan of a small sum than for the loan of a large one, nor of the circumstances which, in the case of a small trade, justify the prudence of a borrower in consent-

* [*Treatise on the Police of the Metropolis*, Chap. v. p. 128, seventh edition.]

ing to such conditions. One of these circumstances is, that the risk is greater, as in small loans the profit is not sufficient to defray the expense of examining with sufficient minuteness into the circumstances of the borrower; a second, and far stronger is, that the borrower of a small sum can afford to give a higher interest than the borrower of a large one. The value of loans to a small amount is often so great that it can scarcely be said to bear any proportion whatever to that of large sums. As an example, we may observe the case of a labouring man having an opportunity of getting employment, but in want of five shillings to purchase the necessary tools, while his master rigidly adhering to the custom of the trade, refuses to furnish them himself. In such a case, which I understand occurs very frequently in England, the labourer, if he could get five shillings, would be able to repay it in a few days with large interest. It would be difficult to find a case where a thousand pounds could be laid out so as to produce such advantages.

I proceeded, at our last meeting, to make some observations on the motives which have influenced the policy of different nations in subjecting the commerce of money to the regulation of law. The general principles which regulate the *rate of interest*, independently of the interposition of statesmen, I touched on slightly in a former Lecture, without aiming at so full an illustration of the subject as it might have been proper for me to *attempt*, if it had not already been placed in so clear a light by the united abilities of Mr. Hume and of Mr. Smith.

Among the writers who have disputed the expediency of legal restraints on the rate of interest, I mentioned M. Turgot, Mr. Bentham, and the whole of that class of politicians known in France by the title of *Economists*, [*supra*, p. 157.] To these I added the name of the celebrated Mr. Law, who, from a Memoir presented, before his elevation to the ministry, to the Regent Duke of Orleans, appears to have held the same opinion. The arguments he employs in support of it are expressed with that clearness and conciseness which in general distinguish his writings. The Memoir to which I refer is to be found in the sixth

[second ?—see above, p. 158] volume of a French work, entitled, *Researches and Considerations on the Finances of France, from the year* 1695 *to the year* 1721, p. 181 ; edition of Liege 1758. In the same volume, this doctrine concerning the freedom of money-loans is, as I have above stated, ascribed by the editor to *Mr. Law* as its *author*, or at least, as its first *broacher* in France. "Une opinion apportée en France pour la première fois par M. Law, c'est que l'état ne doit jamais donner de Réglemens sur le taux de l'intérêt," page 64.

In what I have already said on this subject, I have chiefly followed Mr. Bentham, who has traced the consequence of the general principle more minutely than any of his predecessors. I propose to prosecute the same argument this evening, requesting it may always be remembered, that in considering questions of this nature, which have divided the sentiments of those who have considered them with much more attention than it has been in my power to bestow on them, I would be always understood to express myself with diffidence ; and that the general aim of these speculations is not to inculcate particular conclusions, but to promote a spirit of free discussion.

That the arguments commonly alleged in favour of Anti-usurious Laws are not sufficient to establish their expediency or equity, may, I flatter myself, be safely inferred from the remarks formerly stated. I shall confine myself, therefore, in what follows, to a view of the mischievous effects which they seem likely to produce.

The first I shall mention is that of precluding so many people altogether from the possibility of obtaining the money they stand in need of, to answer their respective exigencies, and what is worse, that precise description of people whose necessity is the greatest. In this point of view, then, the sole tendency of the law is to aggravate the distress of the unfortunate.

While, however, the law thus precludes a man from *borrowing* upon terms which it deems too disadvantageous, it does not preclude him from *selling* upon any terms, however ruinous. Everybody knows that forced sales are attended with a loss; and to this loss, what would be deemed a most extravagant

interest bears in general no proportion. When a man's moveables are taken in execution, they may be reckoned pretty well sold, if, after all expenses paid, the produce amounts to two-thirds of what it would cost to replace them. In this case, the well-meant interference of the law costs the debtor thirty-three per cent. If a man's fortune consists in immovable property, the fluctuations in the value of land, occasioned by the varying circumstances of the country, may sometimes lay him under a necessity of disposing of his estate to a still greater disadvantage. During the distress occasioned by the American war, lands, which it was necessary should be sold, were sold at London, by public auction, at twenty, eighteen, nay, in some instances, as low as fifteen years' purchase, whereas before the war, thirty years' purchase for land was reckoned a medium price. Could any rate of interest, at which the seller might have raised money by loan, have injured his fortune nearly in the same proportion?

What has been hitherto said is confined to the case of those who have present value to give for the money they stand in need of. If they have no such value;—then if they succeed in purchasing assistance upon any terms, it must be in breach of the law. Even in this case, however, the mischievous influence of the law still pursues them, aggravating the very mischief it pretends to remedy. Though it be not completely efficacious in the way that the legislator proposes, it is perfectly so in the way opposite to that which he has in view. The effect of it is to raise the rate of interest higher than it would be otherwise, and that in two ways. In the first place, a man must, in common prudence, as Mr. Smith observes, make a point of being indemnified, not only for whatsoever extraordinary risk it is that he runs, independently of the law, but for the very risk occasioned by the law: he must be *insured*, as it were, against the law. This cause would operate were there even as many persons ready to lend upon the illegal rate as upon the legal. But this is not the case, a great number of persons are, of course, driven out of this competition by the danger of the business; and another great number by the disrepute which, under cover

of these prohibitory laws, has fastened itself upon the name of usurer. So many persons, therefore, being driven out of the trade, it happens in this branch, as it must in every other, that those who remain have the less to withhold them from advancing their terms; and without confederating, each one will find it easier to push his advantage up to any given degree of exorbitancy, than he would, if his rapacity were checked by a more general competition.

Through the whole course of the foregoing argument, I have proceeded on the supposition that Anti-usurious Laws, although in particular instances open to evasion, may yet be so framed as to accomplish to a certain degree those restraints on pecuniary bargains which the legislator wishes to impose. There is, however, in Mr. Smith's *Wealth of Nations*, a passage in which he asserts (by implication at least) the contrary; a passage the more extraordinary in this eminent writer, that, if it were true, it would prove those laws, of which he has expressed his approbation, to be completely nugatory. "No law," says he, "can reduce the common rate of interest below the lowest ordinary market rate at the time when that law was made. Notwithstanding the edict of 1766, by which the French King attempted to reduce the rate of interest from five to four per cent., money continued to be lent in France at five per cent., the law being evaded in several different ways."*

It is remarkable, that of this position, expressed in the most general and unqualified terms, (and which is certainly very far from being self-evident,) no proof whatever is produced by Mr. Smith, but one particular instance; an instance which proves nothing but the inefficacy of one particular law, which might have been owing to an accidental defect in its structure, or in the provisions made for carrying it into execution. What is more, the position does not seem to be true in the extent in which it is stated. At least, if it is true, that "no law can reduce the common rate of interest below the lowest ordinary market rate at the time when that law was made," the same combination of circumstances must afford obstacles equally

* [Book II. chap. iv.; Vol. II. p. 45, tenth edition.]

powerful to the efficacy of the law against all higher rates; and for this purpose nothing can be effectual but a resolution on the parts of all persons any way privy not to inform. Supposing this to be the case, all rates of interest would be equally free, and the state of men's dealings in this way just what it would be were there no law at all on the subject. That this is *not* the case in England, is manifest from the examples which every now and then occur, of convictions upon the statutes against usury. In other parts of Europe where Anti-usurious Laws are established, there is probably, in this respect, a difference of degree, according as the case of the legislator has been more or less employed in rendering the laws effectual. In *one* country, the empire of Russia, the whole system of laws on this article is said to be merely a dead letter.

"The rate fixed by law in Russia," says Mr. Bentham, "is five per cent.; but although many persons in that country borrow money, none borrow it at the legal rate. The lowest ordinary rate upon the very best real security, is eight per cent.; nine, and even ten, upon such security are common. Six or seven may have place, now and then, between relations or other particular friends; because now and then a man may make a present of one or two per cent. to a person whom he means to favour. The contract is renewed from year to year; for a thousand roubles, the borrower in his written contract obliges himself to pay at the end of the year one thousand and fifty. Before witnesses he receives his thousand roubles; and without witnesses he immediately pays back his thirty roubles, or his forty roubles, or whatever the sum may be, that is necessary to bring the real rate of interest to the rate verbally agreed on."*

I have already said, that in England the Anti-usurious Laws are confessedly of very considerable efficacy in restraining the terms of pecuniary bargains. Even in England, however, the law is very far from being consistent with itself, inasmuch as it sanctions *virtual* usury in a variety of cases; and therefore if it were guided by any general principle upon this subject, it ought either to guard against these indirect violations of its

* [*Defence of Usury*, Letter vii.; *Works*, Vol. III. p. 12.]

own general spirit, or leave the commerce of money entirely open.

One of the most obvious instances in which virtual usury is permitted by law, is in a practice well known among merchants by the name of *drawing* and *re-drawing*. The nature of this operation is very distinctly and fully explained by Mr. Smith in the second chapter of the Second Book of his *Wealth of Nations*. From the account of it which he gives, it is obvious in what way by means of it money may be obtained, and in fact has very often been obtained by merchants at an interest more than double of that permitted by law. The extra interest is in this case marked under the names of *commission* and *price of exchange*. The commission is but small on each draft, (never less, however, than one-half per cent.,) but by a frequent repetition of the operation during the course of the year, it may swell the rate of interest to eight or ten per cent., or even considerably higher. By means of this expedient, therefore, the Anti-usurious Laws may be eluded, though by a process somewhat complicated and troublesome; and it is evident where this is had recourse to, it renders the business of borrowing money much more ruinous to the merchant than any bargain he could well be supposed to have made with money-lenders, had the commerce of money been perfectly free. The monopoly of this virtual usury is secured to bankers, and the profits they derive from it must consequently be higher than if a general competition in the trade of money-lending were allowed to capitalists of every description.

Beside this expedient for raising money at an usurious rate, (which may be thought to be rather *tolerated* and *overlooked* than *sanctioned* by law,) there are others which have at all times been in use under its immediate countenance and authority.

The first I shall mention is, by having recourse to *pawnbrokers*. In this case, the law by *regulating*, avowedly *protects* usury, and actually authorizes a very high rate of interest as a compensation for the expense of warehouseroom, and that of insurance against fire and other accidents. Nor is there

much reason for believing that the limits prescribed by law are here of any considerable efficacy. On the contrary, it is presumable that the profits of the trade are, like those of other trades, determined chiefly by the competition amongst the traders.

The indulgence given by our law to pawnbrokers has, no doubt, proceeded from a sense of their absolute necessity in such a state of society as ours, particularly in great and overgrown towns. In a city, for example, like London, there are vast multitudes who have no friend to aid them in distress; who live from day to day, or from week to week, without realizing any stock for a season of adversity. When such a man falls sick, the whole revenue of a poor family is stopped at once. If he would borrow, his personal security depends on his recovery, and on his being able by future industry to pay the debt by what he can save over and above the maintenance of his family. In such a situation, his only resource is evidently to sell some part of his furniture, or to pledge it with a pawnbroker; and without this resource, thousands who gradually recover their credit, would be driven at once to ruin and beggary.

The trade of a pawnbroker, it must, notwithstanding, be confessed, lays a man under great temptation to deal hardly with the poor; and it is highly expedient that severe penalties should be held out against those who exercise it oppressively and cruelly. The humanity of our own Legislature in this respect must not be passed over in silence. Within the last ten years, several very important regulations have been made, not only with a view of limiting the rates of money lent on pledges, but (what is of far greater consequence) to prevent the unfortunate from being obliged to part with their property without a fair consideration,—imposing, at the same time, severe penalties on those who avail themselves of the means which such shops are calculated to afford, to commit depredations on the property of others.[1] For the attainment, however, of the ends which our legislators have had so laudably

[1] Eden, *On the Poor*, Vol. I. p. 399.

in view, there is ground to believe that much yet remains to be done. The author of the *Treatise on the Police of the Metropolis*,* lately published, remarks, that a class of sharpers obtain licenses to become pawnbrokers. He observes, that "any person, even the most notorious rogue or vagabond, who can raise ten pounds to pay a license, may, at present, set up the trade of a pawnbroker; and it is even said, that some have got licenses who have actually been on board the Hulks. This class of swindling pawnbrokers," he says, "are uniformly receivers of stolen goods, and under the cover of their license do much mischief to the public, which might be prevented, in a great measure, by placing the power of granting licenses in the hands of the Magistrates of the Division, upon the footing of public-houses, and rendering it necessary for all persons to obtain a certificate of character before they can obtain such license, and also to enter into a recognizance of good behaviour."†

The same author states the number of pawnbrokers within the bills of mortality, paying a license of £10 a year, at 213; and of pawnbrokers in the country, paying £5 a year, at 431,—in all, 644. He adds, that the property of the poorest and most distressed part of the community, to the amount of more than half a million sterling, is constantly in the hands of pawnbrokers in the metropolis alone. This, too, seems a very moderate statement. Sir Frederick Eden tells us, that he was present, three or four years ago, at the trial of a pawnbroker, at Newcastle-upon-Tyne, for receiving stolen goods, when it appeared that above 30,000 pawns went through his hands in a year.

I have already said that, in a great metropolis like London, the trade of a pawnbroker, under proper regulations, seems to be a necessary evil; and I have hinted my doubts whether it is of much use for law to interpose in fixing limits to the rate of interest. It is here, however, where our laws have relaxed from their usual severity against usurers, that the most specious apology might be made for their rigorous application,—inas-

* [Peter Colquhoun, LL.D.]

† [Chap. v. p. 116, seventh edition.]

much as the security is, in this case, not only equal to, but better than what it can be in any other, consisting in the present possession of a moveable article, of easy sale, on which the creditor has the power, and certainly does not want the inclination, to set such price as is most for his advantage. Even in such cases, however, the interposition of law in favour of the indigent, would probably only aggravate the evil it meant to cure.* (Accordingly, Dr. Reid, in an *Essay* on this subject, formerly referred to, [*supra*, p. 157,] in which he argues for the perfect freedom of pecuniary bargains in all cases where the parties are upon an equal footing, and where the borrower cannot be said to be pressed by any necessity, yet pleads for an exception in every instance in which the borrower is compelled to apply to a money-lender by indigence. "If the Law," says he, "could distinguish between the poor and the rich,—between those who borrow from hard necessity, to prevent going to prison, or having their goods carried off by legal execution, and those who borrow to extend their trade and increase their profit;—if this were possible, I heartily agree that, with regard to the first of these cases, the law should fix the highest rate of interest that can be taken, and that the law should be enforced under the severest penalties, such as our present laws inflict on usurers." He grants, at the same time, the difficulty of distinguishing by a law the poor from the rich, and contents himself with submitting, as the best criterion he can suggest for the purpose, that all those shall be considered as entitled to the protection of law who borrow upon a pledge. A man does not borrow in this way who can give good personal security; and he who cannot give good personal security for what he must borrow, may be considered as in necessity. "It seems reasonable, therefore," according to Dr. Reid, "that such laws as we at present have, should take place against pawnbrokers; and it is the more reasonable, as the pawnbroker has absolute security from his debtor having a pledge in his hand." I have already given my reasons for thinking, that

* [The last sentence *inserted*, and the following passage within round brackets, left out in the last correction.]

even in the case of indigence, all these well-meant interpositions of law in limiting the rate of interest, only aggravate the evil which they propose to cure.)

Another case in which the usurious rate of interest is sanctioned by law, is that of *Bottomry* and *Respondentia*. In a contract of the former kind, the lender advances money to the owner of a ship, who pledges his property in it as security, engaging to repay the money, with a stipulated consideration for risk and advance, when the ship returns;—it being understood, on the other hand, that if the ship be lost, the lender is to lose his money. *Respondentia* contracts are of the same nature, differing only in this, that the security is on *goods* instead of the *ship*; which goods being necessarily sold or exchanged in the course of the voyage, and the *ship* not being pledged, the *person* of the borrower is alone responsible for the money lent; and hence he is said to take up money at *respondentia*. The condition of repayment is, that the goods do not perish through the dangers of the sea.[1] These terms are also applied to contracts for the repayment of money borrowed, not on the ship and goods only, but on the mere hazard of the voyage itself, which kind of agreement is sometimes called *fœnus nauticum*, and sometimes *usura maritima*. But as this gave an opening for usurious and gaming contracts, especially on long voyages, it was enacted, 19th Geo. II. c. 37, that all moneys lent on *bottomry* or at *respondentia*, or vessels bound to or from the *East Indies*, shall be expressly lent on *ships* or *goods*; and that if the borrower has not an interest in the ship, or in the effects on board, equal to the value of the sum borrowed, he shall be responsible to the lender for so much of the principal as has not been laid out, with legal interest and all other charges, though the ship and merchandise be totally lost."[2]

In contracts of bottomry and respondentia, (including under this title the *fœnus nauticum*,) the law authorizes a departure from the established regulations with respect to interest; acknowledging, in such instances, the reasonableness of a compensation for *risk*, as well as for the *use* of the money borrowed,

[1] Hamilton's *Merchandise*, p. 537. [2] *Blackstone*, Vol. II. p. 458.

and leaving the particular terms of the bargain to be adjusted by the parties, according to the market rate of interest, and the rate of insurance.[1]

I took notice in my last lecture [*supra*, p. 152, *seq.*] of a most extraordinary fact mentioned by Sir William Jones, that "in the first of the *Sacred Law Tracts*," supposed to be revealed by *Menu* some millions of years ago, and which Sir William Jones himself refers to a date long prior to the Christian era, "there is a general regulation limiting the rate of interest in ordinary cases, with an express exception in regard to adventures at sea. This exception (as Sir William Jones observes) the sense of mankind approves, and commerce absolutely requires, though it was not before the reign of Charles I. that our English Jurisprudence fully admitted it in respect of maritime contracts." The truth is, that the existence of the *exception* in this very ancient code, is less wonderful than that of the *general rule;* more particularly when we consider that the rule appears to have maintained its ground, as it also had done in modern Europe, after the unsoundness of its principle had been thus explicitly acknowledged. Such coincidences among distant ages and nations in their prejudices and inconsistencies, are still more wonderful than in institutions recommended by reason and justice; and incomparably *more so*, than any accidental repetitions of discoveries in the exacter sciences.

The same inconsistency may be remarked in those laws

[1] With respect to the principles of the *Civil Law* concerning the *fœnus nauticum*, the annotations of *Henry de Cocceii* on Chapter xii. Book ii. of Grotius, *De Jure Belli*, &c., are worthy of a perusal. See likewise Lampredi.. *In general*, it appears, that the code of Justinian, while it confined persons of illustrious rank to the moderate profits of four per cent., and pronounced *six* to be the ordinary and legal rate of interest, allowed *eight* for the convenience of manufacturers and merchants, and *twelve* (or *usuræ centesimæ*) in the case of loans risked on the hazardous issue of nautical adventures.

With respect to modern nations, the fact is thus stated by Lampredi:—"Consuetudine et moribus invaluit, *ubivis gentium*, ut jus antiquum revocaretur, et in *Bodemeria*," (a word of German origin, corresponding to our term *bottomry*,) "ceterisque negotiis maritimis periculi pretium nullis esset limitibus circumscriptum, atque adeo usura etiam plusquam centesima in pactum deduci licite posset."—Vol. I. p. 414.

which grant an unlimited license to all the different kinds of *insurance;* to the purchase and sale of *annuities;* and, in a word, to every case where a man is permitted to take upon himself an unlimited degree of risk, receiving for so doing an unlimited compensation. Mr. Erskine, in his *Institutes of the Law of Scotland,** says, "where a creditor's right to interest is clogged with an uncertain condition, by which he runs the hazard of losing his whole debt, if the condition should never exist, he may stipulate for a higher interest than the legal, without the crime of usury; for there the interest is not given, merely in consideration of the use of the money, but of the risk also undertaken by the creditor." And to the same purpose Mr. Christian, "It is an established rule, that no contract is within the statute of usury, although more than five per cent. is to be paid on money advanced, if the principal is actually put in hazard, and may be totally lost to the lender."[1] In all these instances the law grants a liberty perfectly just and highly expedient, but altogether inconsistent with the general principles which, in a commercial country, limit pecuniary bargains to certain fixed conditions.

The remarks which have now been made, afford a very strong confirmation of the reasonings already offered, to shew the inexpediency of a legal rate of interest. They prove that while such a restraint is perfectly efficacious in aggravating the distresses of those whom it professes to protect, it never can be so contrived as to accommodate the commercial transactions of a country to the arbitary views of the legislator. The natural course of trade is too powerful to be controlled by laws which are at variance with the interests of private parties, and with the general state of society. And all that law can in such cases effect, is to force individuals on those indirect modes of evasion, which accomplish the end in a more circuitous and expensive way for themselves, as well as more prejudicial to the interests of the public. The same remarks also shew, that the general position formerly quoted [*supra*, p. 180] from Mr.

* [Book IV. Title iv. § 76.]

[1] [Edition of *Blackstone's Commentaries*,] Vol. II. p. 458.

Smith, to wit, that "no law can reduce the common rate of interest below the lowest ordinary market rate at the time when that law was made," although by no means true in the unqualified form in which he has stated it, is yet a most just and important maxim, when received under proper limitations. To the same purpose also, Mr. Locke long ago remarked, that "it is in vain to go about effectually to reduce the price of interest by a law; and you may as rationally expect to set a fixed rate upon the hire of houses, or of ships, as of money. He that wants a vessel, rather than lose his market, will not stick to have it at the market rate, and find ways to do it with security to the owner, though the rate were limited by law; and he that wants money rather than lose his voyage or his trade, will pay the *natural interest* for it, and submit to such ways of conveyance as shall, keep the lender out of reach of the law. So that your Act at best will serve only to increase the arts of lending, but not at all lessen the charge of the borrower, who, it is likely, shall, with more trouble, and going farther about, pay also the more for his money."[1] How nugatory, therefore, are those plans which speculative politicians have so often held out for advancing national wealth and prosperity by reducing the rate of interest to a still lower standard! In the last century this was a favourite object with Sir Josiah Child, who recommended such a measure as "an effectual expedient for advancing the price of lands in the purchase, for improving the rent of farms, for employing the poor, for multiplying artificers, for increasing foreign trade, and for augmenting the stocks of merchants." Nor does the inefficacy of this project appear to be yet universally admitted. A late respectable writer, Dr. Crumpe, after giving the sanction of his approbation to the reasonings of Child, recommends the lowering of the legal rate of interest in Ireland, as the most likely means of promoting the manufactures of that country, and consequently the employment of the people.[2] An author, too, of still higher

[1] Vol. II. p. 6.—[First *Considerations of Interest and Money.*]

[2] P. 340.—Mem:—To consult Locke's arguments on the other side of the question.

name, the Marquis Beccaria, in a *Discourse on Public Economy of Commerce*, published about the year 1769, in enumerating the principal means by which a government may promote trade, mentions expressly *the low interest of money*.[1] The circumstance which has misled all these writers has evidently been, that inseparable connexion which was before fully illustrated between a flourishing commerce and a low rate of interest. As the latter of these results naturally and necessarily follows from the former, they were led to imagine, that if the effect could only be secured by the direct interposition of law, it would draw along with it, as consequences, all those happy concomitants or causes with which they had found it connected in the course of their observations.

Having mentioned Locke's *Treatise on Interest*, (which was written in opposition to Child,) I cannot help observing, that although he declares in favour of a legal rate of interest,[2] yet all his reasonings lead to an opposite conclusion. And, indeed, the arguments he alleges in favour of a legal rate are so trifling, and so slightly urged, that he was probably prevented, merely by a respect for established opinions, from pushing his conclusion to its full extent. The passage deserves to be quoted in his own words:—

"It is necessary that there should be a stated rate of interest, and in debts and forbearances, where contract has not settled it between the parties, the law might give a rule, and courts of judicature might know what damages to allow. This may, and therefore should, be regulated.

"That in the present current of running cash, which now takes its course almost all to London, and is engrossed by a very few hands in comparison, young men, and those in want, might not too easily be exposed to extortion and oppression, and the dexterous and combining money-jobbers not have too great and unbounded a power to prey upon the ignorance or necessity of borrowers. There would not be much danger of this if money were more equally distributed into the several

[1] *Monthly Review*, Vol. XLI. p. 176.

[2] Vol. II. p. 31.—[First *Considerations of Interest and Money*.]

quarters of England, and into a greater number of hands, according to the exigencies of trade.

"If money were to be hired as land is, or to be had, as corn or wool, from the owner himself, and known good security be given for it, it might then, probably, be had at the market (which is the true) rate, and that rate of interest would be a constant gauge of your trade and wealth. But, when a kind of monopoly, by consent, has put this general commodity into a few hands, it may need regulation, though what the stated rate of interest should be, in the constant change of affairs and flux of money, is hard to determine. Possibly, it may be allowed, as a reasonable proposal, that it should be within such bounds as should not, on the one side, quite eat up the merchant's and tradesmen's profit and discourage their industry; nor, on the other hand, so low, as should hinder men from risking their money in other men's hands, and so rather choose to keep it out of trade, than venture it upon so small a profit. When it is too high, it so hinders the merchant's gain that he will not borrow; when too low, it so hinders the monied man's profit that he will not lend; and in both these ways it is an hindrance to trade."

In stating these observations, I would, by no means, be understood to deny, that *low interest* is a *cause* as well as an *effect* of National Wealth, or that it ought to be an object with a statesman to favour as much as possible its reduction, by the *general plan* of his policy. I only speak of the inefficacy of *particular* regulations to that purpose, unless they are so accommodated to the actual circumstances of a country that the same consequences would spontaneously have taken place in the natural course of things, without the interposition of the legislator.

The importance of low interest to the progress of National Wealth follows, as an obvious consequence, from the remarks formerly made on the accumulation of stock. "The proprietor," says Turgot, "who lends money, ought to be considered as a dealer in a commodity absolutely necessary for the production of riches, and which cannot be at too low a price. To charge

this commerce, therefore, with duties, would be as unreasonable as to lay a duty on a dung-hill, which is to manure the land."* The truth is, that a decrease in the market rate of interest (so far as it is in the power of laws to favour it, by their general spirit and tendency) is the only safe and effectual encouragement which a statesman can give to national industry. It will afterwards appear, that the regulations of commerce, which have been commonly employed for that purpose, (such as prohibitions, monopolies, bounties, drawbacks, &c.,) are not merely useless, but positively hurtful. They *may*, indeed, encourage particular branches of industry, but it is at the expense of other branches, from which they withdraw their natural share of the capital of the country. Nor do they *always* succeed in advancing even those trades which they favour, inasmuch as by multiplying their productions beyond their due proportion, they must, in some instances, have the effect of overstocking the market. Hence the only equitable and advantageous encouragements to industry are those which favour all its branches alike; and such, precisely, is the effect of a *low rate of interest*."[1] It enables individuals with the same given resources, to put larger capitals in motion, leaving them, in the employment of their capitals, entirely to the guidance of their own prudential views of profit, and extending to all equally the means of applying their industry to their favourite objects.

Among the other mischievous effects of raising supplies on the funding system, its tendency to increase the market rate of interest is one of the most important. Immense sums, which would otherwise have been employed in the various departments of useful industry, are kept disengaged for speculations in the funds; and a shock is frequently given to the trade and manufactures of the kingdom by a sudden abstraction of capital, in consequence of those high temptations to lenders which it is necessary for Government to hold out in times of difficulty.

* [*Réflexions sur la Formation et la Distribution des Richesses*, § xcv. *Œuvres*, Vol. V. p. 123.]

[1] Gale's *Second Essay on Public Credit.*

It is, however, chiefly against the *agricultural* improvement of the country that public loans operate. The high profits of trade enable persons of good credit to elude the laws against usury, by expedients which custom authorizes, and which actual circumstances render absolutely necessary. The shortness of the period too, to which their temporary accommodations generally extend, while it enhances the rate of interest, leaves the money-lender at all times the ready command of his capital. The case is widely different with those who have occasion to borrow money for agricultural speculations, which afford but moderate profits, and which, from their slow returns, require loans of a more permanent nature. This is felt severely in the present times, even by those who have *landed security* to offer, and who, accordingly, are frequently reduced to the ruinous resource of raising money on annuities; consequences, undoubtedly, of the most alarming sort to the country in general, but which necessarily result from the high rate of interest obtainable upon government securities.

Although, therefore, it seems to be impossible for a statesman, by an arbitrary reduction of the legal rate of interest, to accelerate the national prosperity at pleasure, it is equally clear, on the other hand, that the general plan of its policy may influence, to a great degree, this essential requisite to improvement.

How much the inconveniences, which have just been mentioned as resulting from public loans, are aggravated by the Anti-usurious Laws, is sufficiently evident. The tendency of such restraints on the commerce of money being obviously to *raise* the rate of interest in the market. M. Turgot has made some good observations on this point, in his *Essay on Money Loans*, formerly referred to, [*supra*, p. 157.]

I shall conclude this subject with remarking, that the prejudices and laws with respect to *Compound Interest* are entirely of a piece with those which have been now under our consideration, originating in the same idea, that the protection of the borrower requires the interposition of the legislator, in every instance, in a greater degree than that of the lender.

It appears from an Epistle of Cicero to Atticus, that compound interest was not then, in every case, contrary to law; for he says, that *usuræ centesimæ cum anatocismo anniversario* might be enacted.[1] But this law was abrogated by Justinian;[2] and in modern Europe *compound interest* is almost universally reprobated as the worst species of usury and extortion. In reason and equity, however, there seems to be no foundation for this opinion; the same principles which justify *simple* interest, concluding decisively in favour of *compound* interest, when the principal is withheld after being demanded; and, accordingly, *Henry de Cocceii* pronounced, long ago, that usuræ *usurarum*, or *anatocismus*, is perfectly agreeable to the *law of nature*.

"Jure naturæ usuras usurarum semper deberi, puto, etsi *promissæ non fuerint*. Is enim qui mea pecunia utitur, ac pro eo usu annuas usuras promittit, nec solvit has ipsas usuras, plus suo habet; utitur jure alieno; mihi aliquid abest, unde lucrum capere possem si debitor usuras solvisset: adeoque ex natura obligationis sequitur, æstimationem ejus, quod facto debitoris mihi abest, id est, usuras usurarum, solvi debere."[3] The argument, however, is stated much more forcibly by Mr. Bentham, who has allotted a separate section of his *Treatise* to the discussion of this very question. The substance of his reasoning may be collected from the following abstract:—

"If the borrower pays his interest at the day, and thereby performs his engagement with punctuality, the lender has it in his power to secure compound interest, by lending it out again immediately. If he fails of receiving it, he is by so much a loser. The borrower, by paying it at the day, is no loser; if he does not pay it at the day he is by so much a gainer; and what is worse, the gain which the law in its tenderness thus bestows on him, is a reward which it holds out in many cases for breach of faith, for indolence, and for negligence. The loss, on the other hand, which it thus throws on

[1] Lib. V. Epist. ult.

[2] See Grotius, Lampredi, and H. Cocceii.

[3] [H. Cocceii ad] Grotium, *De Jure Belli*, &c., Lib. II. cap. xii. § 22. [Edit. Lausannæ, 1751, Tom. II. p. 721.]

the forbearing lender, is a punishment which it inflicts on him for his forbearance; while the power which it gives him of avoiding that loss, by prosecuting the borrower upon the instant of failure, is a reward which it holds out to him for his hard-heartedness and rigour.

"It may indeed be, in many cases, impossible for the borrower to pay the interest at the day; but what is the obvious inference? That the creditor should *not* have it in his power to ruin the debtor for not paying at the day, and that he *should* receive a compensation for the loss occasioned by such failure. The spirit of our existing laws is precisely the reverse of this. The creditor *has* it in his power to ruin him, and he has it not in his power to obtain such a compensation. On the contrary, if the debtor has recourse to law, and resolves to fight his creditor through all the windings of mischievous delay, he purchases a respite at ten times, perhaps at a hundred times, the expense of compound interest; while, of the money thus thrown away, no part falls to the share of the individual he has injured, but is consumed by the legal agents who conduct the litigation."*

[SECT. IV.—ON SUBJECTING THE COMMERCE OF LAND TO THE REGULATION OF LAW.]

(*Interpolation from Notes.*)—I proceed next, agreeably to the arrangement formerly laid down, [*Political Economy*, Vol. I. p. 45,] to make some remarks on the expediency of restraints on the Commerce of Land.

The pre-eminent importance of landed property, and the various effects connected with its distribution, will justify me sufficiently for treating of it separately from the other constituents of National Wealth. From the observations which I formerly had occasion to make, it appears how intimately this subject is connected with the advancement of that species of wealth which gives existence to all the others, furnishing to the various classes of manufacturers and artists, both the mate-

* [*Defence of Usury*, Letter xi.; *Works*, Vol. III. p. 18.]

rials of their subsistence, and the rude materials on which their industry is employed. " Il faut cependant observer," to borrow the words of a French writer, " que le laboureur fournissant à tous l'objet le plus important et le plus considérable de leur consommation, (je veux dire leurs aliments, et de plus la matière de presque tous les ouvrages,) a l'avantage d'une plus grande indépendance. Son travail, dans l'ordre des travaux partagés entre les différents membres de la Société, conserve la même primauté, la même pré-éminence qu'avait, entre les différents travaux qu'il était obligé dans l'état solitaire de consacrer à ses besoins de toute espèce, le travail qui subvenait à sa nourriture. Ce n'est pas ici une primauté d'honneur ou de dignité; elle est de *nécessité physique.* Le laboureur peut absolument parlant se passer du travail des autres ouvriers, mais aucun ouvrier ne peut travailler si le laboureur ne le fait vivre."* This general proposition I endeavoured to illustrate in a former part of my course.† The remarks which I have now to offer, relate entirely to the policy of different nations, with respect to the distribution and commerce of landed property.

In the codes of the ancient legislators, one of the leading objects of attention appears to have been to secure as great an equality as possible in the appropriation of lands, by establishing various expedients to obviate the effect of those circumstances which have a tendency to disturb this equality.—For this purpose, Moses prohibited the perpetual alienation of landed property, and ordered that every fiftieth year, the land which had been sold during the preceding period should return to the former proprietor or his family.‡—In the laws of the Athenians, we meet with a variety of provisions, plainly proceeding from the same views as influenced the Jewish legislator. Such were those which restricted the citizens in the power of making testaments,—those which established an equal division of property among the male children,—those which put it out of the power of the same person to succeed to two

* [Turgot, *Sur la Formation et la Distribution des Richesses*, § v.; *Œuvres*, Tom. V. p. 6.]

† [*Supra, Political Economy*, Vol. I. (*Works*, Vol. VIII.) p. 258, *seq.*]

‡ [*Leviticus*, xxv. 10.]

inheritances,—and many other regulations of a similar nature. On the subject of the laws of succession among the Greeks, a great deal of most important light has been thrown by Sir William Jones, in the *Commentary* annexed to his *Translation of the Speeches of Isæus.*

Among the ancient Germans, according to a passage in Tacitus, there appear to have been some regulations which tended to accomplish the same object, by a process still more simple and direct. The nation was considered as the proprietor of all the lands, which individuals held for a time; and at the end of each year, a new distribution of land was made, according to the varying circumstances of the population.* It is remarkable, as Mr. Hume observes in his *History of England*, that "among the Irish, as far down as the seventeenth century, land was divided in a similar way. If any of the sept died, his portion was not shared out among his sons, but the chieftain, at his discretion, made a new partition of all the lands belonging to that sept, and gave every one his share."†

The earliest laws of the Romans deserve attention in the same point of view. By an examination of these, it is evident that their leading idea was to prevent the original number of proprietors from being diminished. This was more particularly the case with their laws relating to the succession of females, which have been very ingeniously illustrated by Montesquieu.‡

In modern times, the state of society which arose in Europe after the subversion of the western empire, gave rise to a very opposite policy, by suggesting as a necessary expedient against the rudeness and violence of the time, two institutions, which have both had a most extensive influence, not only on the distribution of land, but on the whole system of modern manners. These are the right of *Primogeniture* and the practice of *Entails.*

That a certain preference should be given by a parent to his first-born, who, in the order of nature, is marked out as the protector and guardian of his younger children, is so agreeable to the most obvious suggestions of the mind, that it is not sur-

* [*Germania*, cap. xxvi.]

† [Chap. xlvi. James I.]

‡ [*Esprit des Loix*, Liv. xxvii. Partie II. p. 167, ed. Genève, 1749.]

prising we should find traces of it in the history of the earliest ages. In the accounts of the primitive times, given in the Sacred Writings, the influence of the prerogative that has always been attached to seniority, is strongly illustrated by the stories of Jacob and Esau, and of Leah and Rachel. The same preference, too, occurs in the Pagan mythology, where, in consequence of this very circumstance, Jupiter is invested with the supremacy. This preference, however, does not seem to have existed among the Greeks, Romans, Britons, and Saxons, all of whom divided the land indiscriminately among the children. At Athens, the sons succeeded equally; but the daughters were endowed by their brothers. What share of the inheritance was allotted to the daughters, or whether it was regulated by any fixed rule, does not appear. Sir William Jones, in the learned *Commentary* mentioned above, thinks that this was left entirely to the affection and liberality of the brothers. By the Roman law, all the children, both male and female, were called equally to the inheritance of their father's possessions.

From the custom of *Gavelkind* in Kent, which divides the land equally among all the sons, Selden concludes, that this was the general custom of the realm before the Norman Conquest, retained in this district, in consequence of the successful struggle which was made by the inhabitants to preserve their ancient liberties. The same opinion, also, is sanctioned by Sir William Blackstone.* Spelman, in his *Glossary*, under the word *Gaveletum* (*Gavelkind*,) refers the origin of this custom to Germany. "Prisca Anglo-Saxonum consuetudo e Germania delata, qua omnes filii ex æquis portionibus, patris adeunt hæreditatem; (ut filiæ solent, prole mascula deficiente.) Fratres similiter, defuncto sine sobole fratre; et nullo existente fratre, sorores pariter." But it appears to be somewhat doubtful what the rules of succession in Germany really were. Mr. Barrington, in his *Observations on the Statutes*, with many others, follows on this point the opinion of Spelman, relying entirely on the following passage of Tacitus, which certainly does not warrant any such conclusion:—"Hæredes tamen successoresque sui

* [*Treatise on the Law of Descents: Law Tracts*, Vol. II. pp. 189-248, orig. edit.]

cuique liberi: et nullum testamentum. Si liberi non sunt, proximus gradus in possessione fratres, patrui, avunculi. Quanto plus propinquorum, quo major adfinium numerus, tanto gratiosior senectus: nec ulla orbitatis pretia."* It is not here said that the property was divided equally among the children, nor does it contain one expression at all inconsistent with the supposition, that the children first succeeded singly and in the course of their ages, in defect of these, the brothers, and on their failure, the uncles. On the other hand, another passage from Tacitus is quoted by Dr. Gilbert Stuart,† in proof of the right of primogeniture among them, which it seems to me impossible to explain away:—"Inter familiam, et penates, et jura successionum, equi traduntur: excipit filius, non, *ut cetera, maximus natu*, sed prout ferox bello et melior." This testimony in favour of the eldest son, Dr. Stuart remarks, is the more strong, as being included in an exception to the general rule.

But whatever may have been the origin of the law of gavelkind, there cannot well be any diversity of opinion about its expediency as a political institution, more particularly when it is considered in connexion with that system of Political Economy which has been dictated by the circumstances of modern Europe. Of this, indeed, no proof more striking can be produced than the prosperous state of agriculture in the county where it still exists,—an effect which, as I mentioned formerly, [Vol. I. p. 168,] Mr. Arthur Young seems disposed to ascribe to the want of manufactures. The following information on this point, stated by Mr. Marshall in his *Rural Economy of the Southern Counties*, is extremely interesting and valuable:—"In the district of Maidstone, even among the tenantry, are found men of wealth and respectability; qualities for which the yeomanry of Kent have long been proverbial.

"Out of the Law of Gavelkind, this valuable order of men have principally risen. And seeing the present flourishing state of their county, after seven hundred years of experience, the wisdom of that law appears in a strong light. For although

* [*Germania*, cap. xx.]

† [*View of Society in Europe*; Authorities, Book I. chap. ii. sect. ii. p. 220, edit. 1778.]

it has furnished the county with its present high state of society, with respect to the middle classes, it has not done away the gradations of rank, which appear to be necessary in every organized society."*

Its moral tendency is illustrated by an anecdote mentioned by the same writer:—"Some years ago, in the district of Maidstone, a person, who died possessed of considerable property, left five sons, *and a will*, in which partiality to individuals was, of course, expected. Nevertheless, the brothers, *harmonized by the influence of equal law*, agreed, before the will was broken open, to inherit according to the *natural* law of their county; and the will was burnt with the seal unbroken.

"The operation of this equitable law in the instance under notice, has been highly favourable to society, which has thereby gained five wealthy, respectable, *productive* members,—yeomen of the higher class. Whereas, had the whole property devolved on one of them, even this one, probably, would have been rendered unprofitable to society, while the rest must have been thrown upon the world, to scramble for property in trade or the professions."†

Another mode of succession, of which some traces still remain in England, is worthy of notice, as a yet more striking contrast to those ideas with which we have been familiarized by the prevailing laws and manners of modern Europe; I mean the custom of *Borough-English*, according to which the youngest son, and not the eldest, succeeds to socage tenements on the death of his father. Blackstone's suggestion concerning the origin of this custom is not entirely destitute of probability.

"Perhaps a more rational account may be fetched (though at a sufficient distance) from the practice of the Tartars, among whom, according to Father Duhalde, this custom of descent to the youngest son also prevails. That nation is composed totally of shepherds and herdsmen; and the elder sons, as soon as they are capable of leading a pastoral life, migrate from their father with a certain allotment of cattle, and go to seek a new habita-

* [District of Maidstone, Division III. § ii.; Vol. I. pp. 53, 54, edit. 1798.]

† [Ibid. pp. 54, 55.]

tion. The youngest son, therefore, who continues latest with the father, is naturally the heir of his house, the rest being already provided for. And thus we find that, among many other northern nations, it was the custom for all the sons but one to migrate from the father, which one became his heir. So that possibly this custom, wherever it prevails, may be the remnant of that pastoral state of our British and German ancestors, which Cæsar and Tacitus describe."*

What the circumstances were which first introduced the Law of Primogeniture in modern Europe, has been explained with great ingenuity by Mr. Smith in his *Wealth of Nations*.†

The obstacles which this institution opposes to the improvement of agriculture, have been so ably and distinctly pointed out by the same author, that I shall not here enter into the discussion. It is necessary that our speculations should apply as much as possible to the actual circumstances of the world, without regard to any ideal improvements of which they are susceptible. I cannot help, however, remarking, how much these restraints have a tendency to complicate the science of Political Economy, when studied with reference to our present situation. In truth, these are of infinitely greater moment than any restraints on the freedom of trade can possibly be; and while they exclude a variety of the general principles of the science from having an application to our present circumstances, others must, in consequence of their influence, as I apprehend, be admitted with great limitations. Some questions, too, of a very intricate nature, derive their origin entirely from the inconveniences which result from these discouragements of the natural distribution of land. Their influence, for instance, on the progressive cultivation of the soil, has rendered it necessary for the Legislature to interfere, for the accomplishment of that end, by a more indirect process than would otherwise have been necessary. In a commercial country, where there are no perpetuities, the attachment to land would be everywhere nearly proportioned to its intrinsic value; and a

* [*Commentaries*, Book II. chap. vi.; Vol. II. p. 83, fourteenth edition.]

† [Book III. chap. ii.; Vol. II. p. 82, *seq*, tenth edition.]

number of properties would be constantly brought to market, which would put an end to that monopoly price which land may be said at present to bear. Our existing institutions, by diverting small capitals from the purchase and improvement of land, contribute, more than any other single cause, to depress agricultural industry below the level of other employments of capital and labour.

In this manner, the free circulation of land would animate and invigorate the remotest extremities of the political body; while the natural course of human affairs would determine effectually those inequalities in the distribution of land and money, which are essentially connected with political subordination, and with the progressive improvement of the human mind. There is not, indeed, among all the different objects of policy, any one instance which illustrates more strongly the good sense of the old French maxim, *Not to govern too much*, than that of the history of landed property, fettered, among the ancients, by agrarian laws, and among the moderns, by institutions of an opposite tendency, and so seldom left to the operation of those natural causes which, wherever they have free scope, are found to be wisely and beneficently ordered for the improvement and prosperity of the human race. The Statute of Alienations, passed in the reign of Henry VII., is universally understood to have had a powerful influence on the subsequent progress, not only of agriculture, but of all the other arts; and however just Mr. Hume's strictures may be on the motives which influenced that sovereign in the enactment of this law,* the great and beneficial consequences which have followed from his innovation on the former system, are indisputable. The Statute of Alienations, like all other wise improvements in legislation, accomplishes its end, not by giving any sudden shock to the prejudices and interests of the existing generation, but by giving natural causes a time and opportunity to operate, and by removing those artificial obstacles which check the progressive tendencies of society.

It may be proper to mention, before leaving this subject, that

* [*History of England*, Chap. xxvi.]

these general principles of Political Economy, though unquestionably just, as far as regards the wealth and population of a country, may probably require some limitation, when applied to an actually existing government such as ours, where an order of Nobility makes an essential part of the constitution. Some deviations from a perfectly free commerce of land may, in such cases, be expedient to secure the independence of hereditary legislators, and to accomplish whatever other purposes of their order may accord with the essential spirit of the constitution. It must never be forgotten, that wealth and population, though important objects of care, ought always to be regarded in their due subordination to those political arrangements on which the order of society depends. Even in such cases, however, the reasonable and equitable exception thus rendered necessary, should be carried no farther than the nature of the constitution requires.

To those who wish to prosecute this subject, I would recommend a perusal of a *Sketch of the History of Entails* by Lord Kames, subjoined to his *Sketches*. In the same publication you will find a proposal by that ingenious and public-spirited writer, for the gradual removal of this disorder, for such I must call it, the general scope of which is, to prohibit Entails for the future, and to delare those that had been already made, effectual only to such of the heirs as should be in existence at the date of the proposed Act. A similar declaration is suggested with regard to trust-deeds, without a restriction of which, Lord Kames says, that the other provision would be of little avail.* In conformity to the same wise and equitable respect for the interests of heirs actually existing, a committee was appointed, about fifty years ago, by a very respectable body in this country, the Faculty of Advocates, to frame such a Bill as that advised by Lord Kames. The general plan drawn up by the committee was very similar to that proposed by his Lordship; and according to the opinion of most persons at the time, the effect of this Bill, if passed into a law, would have

* [*Sketches*, Appendix, Sketch i.; Vol. II. p. 490, 4to edition.]

been, that one half of the entails then existing would be sunk in twenty years, and nine-tenths of them in forty or fifty. A majority of the Faculty gave their sanction to this measure; but, in consequence of some circumstances, the detail of which would be uninteresting, the whole project, after it had excited much discussion, fell to the ground. That this, or some similar palliative of an evil so great and so rapidly progressive, would be soon followed by the happiest effects, it is impossible to deny.

To these very slight remarks on the *Law of Entails*, I shall make no apology for adding a few others on a subject to which it naturally leads the attention, though not immediately connected with the foregoing argument; I mean the question relative to the limits within which the power of *Testamentary Succession* should be confined by law. This, indeed, may be considered as a sort of digression from the plan to which I have confined myself, as it relates to movables equally with immovables. But the subject will be found, if I do not deceive myself, to reflect some additional light on certain general principles which have been already stated: at any rate, it will be useful by turning your thoughts to a political problem which has attracted the attention of many eminent persons among our contemporaries, and to which I shall have no other opportunity of attending before the conclusion of these lectures.

As the Law of Entails leaves too much to the fancy of the proprietor in regulating the succession to his property, so some modern politicians have gone into the opposite extreme, by affirming that individuals ought to have no power to dispose of their property, real or personal, *by Will;* and that all the rules of succession should be fixed by legislative authority. This seems to have been the opinion of Cocceii and of Turgot, and the same doctrine is maintained by the author of the Frederician code. It is not a little remarkable, that Sir William Blackstone has indirectly given his sanction to the equity of this project, by denying, not only that the right of testamentary bequests has any foundation in natural law, but by affirming that the case is the same with the right of succession of the children of a person deceased. "We are apt to conceive at

first view, that this right has nature on its side; yet we often mistake for nature what we find established by long and inveterate custom. It is certainly a wise and effectual, but clearly a political establishment; since the permanent right of property, vested in the ancestor himself, was no *natural*, but merely a *civil* right."* In so far as this reasoning rests on the supposition, that the personal right of property, vested in the ancestor himself, is not a natural one, I flatter myself, that it is sufficiently refuted by the observations which I have made in my other course, on the foundation of the right of property in the law of nature.† And as to the fact with respect to the right of inheritance, I believe it will be found, that the further back we carry our researches into the history of mankind, the stronger the general prepossessions of mankind will be in favour of the claims of children. With respect to the right of devising by testament, Sir William Blackstone's assertion, although not so strikingly contradicted by the general prepossessions of mankind, will be found to be stated in much too strong and unqualified a manner. It is true, that wills do not exist among rude nations; for this plain reason, that it requires the aid of an established government to enforce the observance of them. But it does not appear from this that the right of testamentary bequest has no foundation in our sense of justice, any more than the respect paid by rude nations to the possessor in the case of stolen goods, proves that the right of property has no similar foundation. The truth, however, seems to be, that rude nations indirectly acknowledge the right of testamentary bequests, in the case, at least, of persons who have no children of their own, by the practice of adoption, which prevails almost universally in the rude periods of society, and which answers nearly the same purpose as disposing of property by will. It is, indeed, the only way, till regular government is established, by which it is possible to render a last will effectual; as, when it is resorted to, the property never wants a possessor.

It may be worth while to add to this remark, that in the

* [*Commentaries*, Book II. chap. i.; Vol. II. p. 10, fourteenth edition.]

† [*Supra*, *Works*, Vol. VII. pp. 260-273.]

earlier ages of society, the habits and associations produced necessarily by the circumstances and relations of domestic life, supply, in many cases, the want of municipal regulations, and of a strict police. When we look back to the accounts of the patriarchal times, recorded in the Sacred Writings, we find the religious reverence with which the parental authority was regarded securing to the death-bed injunctions of the head of the family, as complete an obedience as if he had still lived to enforce their execution.

Of this we have a fine instance in the conversation between the patriarch Jacob, and his son Joseph, recorded in the forty-eighth chapter of the *Book of Genesis*:—

"And Israel beheld Joseph's sons, and said, Who are these?

"And Joseph said unto his father, They are my sons, whom God hath given me in this place. And he said, Bring them, I pray thee, unto me, and I will bless them.

"Now the eyes of Israel were dim for age, so that he could not see. And he brought them near unto him; and he kissed them, and embraced them.

"And Israel said unto Joseph, I had not thought to see thy face: and, lo, God hath shewed me also thy seed.

"And Joseph brought them out from between his knees, and he bowed himself with his face to the earth.

"And Joseph took them both, Ephraim in his right hand towards Israel's left hand, and Manasseh in his left hand towards Israel's right hand, and brought them near unto him.

"And Israel stretched out his right hand, and laid it upon Ephraim's head, who was the younger, and his left hand upon Manasseh's head, guiding his hands wittingly; for Manasseh was the first-born.

"And he blessed Joseph, and said, God, before whom my fathers Abraham and Isaac did walk, the God which fed me all my life long unto this day,

"The Angel which redeemed me from all evil, bless the lads; and let my name be named on them, and the name of my fathers Abraham and Isaac; and let them grow into a multitude in the midst of the earth.

"And when Joseph saw that his father laid his right hand upon the head of Ephraim, it displeased him: and he held up his father's hand, to remove it from Ephraim's head unto Manasseh's head.

"And Joseph said unto his father, Not so, my father: for this is the first-born; put thy right hand upon his head.

"And his father refused and said, I know it, my son, I know it: he also shall become a people, and he also shall be great: but truly his younger brother shall be greater than he, and his seed shall become a multitude of nations.

"And he blessed them that day, saying, In thee shall Israel bless, saying, God make thee as Ephraim and as Manasseh: and he set Ephraim before Manasseh."

In this beautiful picture of patriarchal manners, we have a proof, not only of the extent of the father's power in regulating the succession to his property after his death, but in altering the rank and condition of his children, contrary to the arrangement pointed out by nature in the order of their birth, the religious reverence paid to his last injunctions, supplying the authority of laws and magistrates. We may remark also the effect of a very natural sentiment, in the peculiar latitude of bequest, which the patriarch found himself entitled to exercise with regard to that portion of his property which had been his own personal conquest.

"And Israel said unto Joseph, Behold, I die: but God shall be with you, and bring you again unto the land of your fathers.

"Moreover I have given to thee one portion above thy brethren, which I took out of the hand of the Amorite with my sword and with my bow."

These observations may be of some use in correcting the erroneous conclusions into which writers on jurisprudence have been led by the vague idea which they annex to the phrase *natural law*,—a phrase which they sometimes employ to express the rules of justice in opposition to positive institutions, and sometimes to denote the practices of rude nations before the establishment of the power of the civil magistrate. That

Sir William Blackstone himself has been partly misled by this circumstance, the following passage seems a sufficient proof:—"Wills and testaments, rights of inheritance and successions, are all of them creatures of the civil or municipal laws, and accordingly are, in all respects, regulated by them; every distinct country having different ceremonies and requisites to make a testament completely valid; neither does anything vary more than the right of inheritance under different national establishments."*

If these reasonings were just, they would undoubtedly obviate one very strong objection to the project of Cocceii and Turgot, and would have the subject to be decided entirely on principles of political expediency; not that I think the ideas of these two ingenious writers could be vindicated even on such grounds, for if they were carried into effect, a variety of mischievous consequences seems unavoidable.

In the *first* place, the effect of such an arrangement would be to diminish the parental authority; a principle, however, which, on the other hand, notwithstanding its importance to the welfare of society, may undoubtedly be carried too far, and which it may be expedient to restrain within due bounds, by securing to children a certain proportion of their father's effects, placed beyond the reach of the caprices and bad passions to which human nature is subject. The *second* effect would be to damp the spirit of industry, by rendering men indifferent about the acquisition of riches, and disposing them to spend them with indiscretion. The *third* is, the effect it would have in leading them to transfer their property to other countries, where the interests of the community, and the feelings of individuals, are treated with more respect.

I confess, too, it appears to me, notwithstanding what Blackstone has said on this subject, that our natural sense of justice, independently of any views of expediency, dictates, that the fruits of a man's laborious industry, or what is the same thing in the present constitution of society, everything which is fully and completely his own property, he should be able to transfer by

* [*Commentaries*, Book II. chap. i.; Vol. II. p. 12, fourteenth edition.]

testament, agreeably to his own pleasure, a due provision being secured to those individuals whom he has been the means of bringing into the world, and to whom, independently of all considerations of their personal merit or demerit, he lies under obligations of the most sacred nature. But how far the right of bequest should extend in the case of landed property, is another question, upon which I do not presume to decide, any farther, than that it should not extend to any individuals who, at the death of the testator, were mere creatures of the imagination. Perhaps, as I hinted before, the principles of English jurisprudence on this head, even with all the disadvantages resulting from their institution of trust-deeds, which reprobates perpetuities, but allows the testator, as far as he sees proper, to exert the powers of bequest in favour of any heirs actually existing at the time, is as consonant as any other that can well be imagined, to those established habits of thinking and feeling, which, in the present state of the world, it is peculiarly incumbent on a wise legislator to respect; while, at the same time, its beneficial effects to society are incalculably great. Compared with our [the Scottish] system of policy in this respect, it leaves the commerce of land in a great measure free. With some slight restriction, therefore, the following sentiment of Sir William Blackstone is as just as it is elegantly expressed:—"The transmission of one's possessions to posterity, has an evident tendency to make a man a good citizen and a useful member of society; it sets the passions on the side of duty, and prompts a man to deserve well of the public, when he is sure that the reward of his services will not die with himself, but be transmitted to those with whom he is connected by the dearest and most tender affections."*

In the case of those who die intestate, these considerations do not apply. Here the arrangements of the Legislature are unembarrassed by the regard which is always due to the feelings, and even prejudices, which are interwoven with the national manners.

I could have wished to prosecute this subject a little farther,

* [*Commentaries*, Book II. chap. i.; Vol. II. p. 10, *seq.*, fourteenth edition.]

and to illustrate the happy effects which a general freedom of commerce and industry, in particular of landed property, produces on the moral and intellectual improvement of mankind. The field, however, is too extensive to be now entered on. I shall content myself, therefore, with remarking how widely the characters of men are diversified by the species of property to which they attach themselves, as well as by the proportions in which it is distributed among them. The various pursuits of private life are still more remarkable in the strongly contrasted manners of an agricultural and of a commercial nation. It is only in such a state of society as that in which we live, in which commerce, agriculture, and manufactures act and react upon each other, that the human character and genius can be completely developed. The inconveniences we labour under, which are comparatively few, arise chiefly from some legislative restraints, which might easily be removed, without injury to individuals, or damage to the state. Nor can there be a doubt, that the progress of human reason, which has already accomplished so much, will, gradually and slowly, correct these imperfections, and bring the established systems of Political Economy nearer and nearer to the order of nature.—(*End of Interpolation from Notes.*)

[CHAPTER IV.]

OF TAXES.

[SECT. I.—OF TAXES IN GENERAL.—INTRODUCTORY.]

It is evident that, in every political community, there are a variety of expenses which must be necessarily incurred by the sovereign for the public service. It is sufficient to mention the support of the Sovereign Dignity,—the Religious Establishment,—the Administration of Justice,—the National Defence, —besides Public Works, such as roads, ports, bridges, &c. These different objects of public expense (but, in a more especial manner, the exigencies of War) imply the necessity of a Public Revenue, to be at the disposal of the Sovereign, or of the Commonwealth. Something of this kind, therefore, may be considered as a necessary consequence of the Political Union; and the only difference among states, in this branch of their economy, consists, in the different *sources* from which the Public Revenue is drawn.

Among the nations of antiquity, the common practice appears to have been, to make provision for hostilities by hoarding up treasures during the intervals of peace which they enjoyed. Some good observations on this point of their policy may be found in the beginning of Mr. Hume's *Essay on Public Credit.*[1] It is unnecessary to prosecute the subject here, as their example has not been copied by any of the great European princes since the death of Henry IV. of France, with the exception of some of the last sovereigns in Prussia. Frederick William, at his death in 1740, is said to have left seven millions sterling in his treasury; and his son, Frederick the Great, (as we are assured

[1] [*Essays*, Vol. I.]—See Filangieri, [*Riflessioni Politiche*, &c.] Vol. II. p. 372.

by the Baron de Hertzberg,) accumulated twice the most considerable treasure that any prince ever possessed.[1] It is, however, only by a very singular combination of circumstances that such a parsimonious spirit can exist for a length of time in a great monarchy in the present state of European manners. Nor is the case very different in our modern republics, of which *many* are in debt, and none are supposed to have amassed anything that deserves the name of a treasure but the Canton of Berne.

In great and civilized states, too, the progress of luxury and expense renders *public stock* and *public lands* altogether inadequate resources for supplying the necessary demands of Government. With respect to the former, a sufficient objection arises from the unstable and perishable nature of stock and credit, in consequence of which they cannot be trusted to with safety as the principal funds of a sure, steady, and permanent revenue; and as to the latter, it is asserted by Mr. Smith,* that "in the present state of the greater part of the civilized monarchies of Europe, the rent of all the lands in the country, managed as they probably would be if they all belonged to one proprietor, would scarce amount to the ordinary revenue which they levy upon the people even in peaceable times."[2]

It follows from these observations, that in the present state of the great nations of Europe the greater part of the expenses of Government must be defrayed by *taxes* of one kind or another; or, in other words, by the contribution of private revenue for public purposes. As the sum which the state raises in this manner is the price of the protection which Government affords to the subject, there can be no limitation to the extent of what may be equitably levied, provided the value of the protection afforded is adequate to the amount of the contribution collected.

It is, however, the most important duty of a statesman to

[1] Guthrie's *Grammar*, p. 471. Hertzberg's *Two Discourses*, &c. p. 3; p. 37 of the original. The translation is printed for *Dilly*, 1786.

* [*Wealth of Nations*, Book V. chap. ii.; Vol. III. p. 250, tenth edition.]

[2] Filangieri, [Ibid.] Vol. II. p. 318.

draw from the subject the necessary supply, in the manner the fairest and the least oppressive,—a task of which the difficulty appears to increase with the extent of the sum to be raised. To devise the most effectual means of accomplishing this end is the great object of the art of *finance*,—a branch of Political Economy which has long employed the speculations of the ablest and most enlightened men in Europe, without, however, as yet leading to any systematical result in which all parties are agreed. In England, more particularly, and in France, this science has exercised the ingenuity both of speculative and practical politicians in a singular degree, in consequence of the immense revenue which the magnitude of the public debts rendered absolutely necessary. These debts were indeed contracted, in the first instance, with a view to relieve the subject from oppressive impositions; but it is manifest that the relief which was thus procured to the existing generation was purchased by transferring the load to their posterity with an accumulated weight. It may be worth while to state, in a few words, (before entering on the subject of Taxation,) by what gradual steps the *Funding System* arose, as it may now be justly considered as the principal cause of the heavy burdens to which we are subjected.

The origin of *Public Funds* is to be traced from the peculiar manners and circumstances of modern Europe. In former times, princes had often borrowed money to supply their exigencies, and sometimes mortgaged their territories in security; but these loans were generally extorted, and their payment always precarious; for it depended on the good faith and success of the borrower, and never became a regular burden on posterity.

Since the invention of gunpowder and the progress of commerce, the military art has become a distinct employment in the hands of mercenaries; the apparatus of war is attended with more expense; and the decision of national quarrels has often been determined by command of money rather than by national bravery. Ambitious princes have therefore borrowed money, in order to carry on their projects with more vigour;

weaker states have been compelled, in self-defence, to apply to the same resource; the wealth introduced by commerce has afforded the means; the regularity of administration, established in consequence of the progress of civilisation, has increased the confidence of individuals in the public security; the complicated system of modern policy has extended the scenes of war, and prolonged their duration; and the colonies established by mercantile nations have rendered them vulnerable in more points, and increased the expense of defending them.

When a greater sum has been required for the annual expense than could easily be supplied by annual taxes, the Government have proposed terms to their own subjects, or foreigners, for obtaining an advance of money, by mortgaging the revenue of future years for their indemnification. The sums which have been thus lent to Government, and which constitute the national debt, form what are called the *Public Funds.* The practice was introduced by the Venetians and the Genoese in the sixteenth century, and has been adopted since by most of the nations of Europe."[1]

It is justly observed by Mr. Smith, that "the same commercial state of society which, by the operation of moral causes, brings Government into the necessity of borrowing, produces in the subjects both an ability and an inclination to lend."* Merchants have at all times a proportion of their capital, and of the average returns of trade within their reach. Their natural confidence in the state where their property is lodged, leads them (particularly under free governments) to trust to the public faith, or if they should apprehend any unusual risk, the alarm will only have the effect of enhancing their demands in settling the terms of their bargain. As the debts, however,

[1] Hamilton, [*Introduction*, &c.,] pp. 548, 549. With respect to the particular use of the word *Fund*, (which in its common acceptation means a sum of money appropriated for any particular purpose,) it may be proper to observe, that according to strict analogy it ought to be applied to the *Taxes* or *Revenues* upon which the interest of the public debts is secured. The former definition, however, (which applies it to the capitals or debts upon which the interest is payable,) has been long sanctioned by universal custom.—Fairman, *On the Stocks.*

* [*Wealth of Nations*, Book V. chap. iii.; Vol. III. p. 400, tenth edition.]

contracted by Government with the public creditors, differ from those between individuals in one important particular, that, in the former the lender is not at liberty to reclaim his principal, it is reasonable that the obligation from Government be of such a nature as to make the debt transferable to any other person who may be inclined to purchase it. The regular payment of the interest on the Government Funds, and the number of persons in this country who prefer the interest they afford to the hazardous profits of trade, secure continual demands for those shares in them which are brought to market. The facility also, and trifling expense with which transfers are made in these funds, are inducements to prefer vesting money in them to laying it out on mortgages or other private security, which, though probably yielding a greater interest, is frequently attended with trouble and uncertainty.[1] By these constant transferences, the confidence reposed in the State is maintained and augmented; the funds are converted into a mighty engine for the circulation of capital; an immense field is opened for mercantile speculation in transactions with Government, and it becomes an object of interest and competition to advance money to the public. The consequence is such as might be expected; the readiness to lend increases the disposition to borrow, and the facility of getting money lessens the anxiety to save. Hence the rapid progress of the enormous debts which at present oppress all the great nations of Europe.

"The progress of these debts," as Mr. Smith has remarked, "has been everywhere pretty uniform. Nations, like private men, have generally begun to borrow upon what may be called personal credit, without assigning or mortgaging any particular fund for the payment of the debt; and when this resource has failed them, they have proceeded to borrow upon assignments or mortgages of particular funds."*

The establishment of the funds was introduced into Britain at the time of the Revolution, and has since been gradually enlarged, and carried to an amazing extent. In the reign of

[1] Fairman, *On the Stocks.* chap. iii.; Vol. III. p. 402, tenth edition.]

* [*Wealth of Nations*, Book V.

King William, and during a great part of that of Queen Anne, the greater portion of the new taxes were imposed but for a short period of time, (for four, five, six, or seven years only,) and a great part of the grants of every year consisted in loans upon anticipations of the produce of those taxes. The produce being frequently insufficient for paying within the limited term the principal and interest of the money borrowed, deficiencies arose, to make good which it became necessary to prolong the term. The continued operation of the same causes led Government to go on in this business of anticipation by mortgaging taxes for farther loans and longer periods, till they at length made the assignments perpetual in a great proportion of cases, or in other words converted taxes into a fund for the payment of perpetual annuities. In this manner, the greater part of the taxes which before had been anticipated only for a short term of years, were rendered perpetual, for the purpose of paying, not the capital, but the interest only, of the money which had been borrowed upon them by different successive anticipations. The obvious effect of this practice is to put off the liberation of the public revenue from a fixed period to an indefinite one. As a greater sum, however, can, in all cases, be raised by this plan of *perpetual funding*, than by the old method of anticipations, the former has, in the great exigencies of the state, been universally preferred to the latter. "To relieve the present exigency," says Mr. Smith, "is always the object which principally interests those immediately concerned in the administration of public affairs. The future liberation of the public revenue they leave to the care of posterity."*

This mode of raising money by anticipations and by funding, is the least disagreeable of any to the people, because large sums are obtained for small annual taxes; and even when these annual taxes are multiplied, the expenditure of the sums raised upon them furnishes occupations which benefit a large proportion of the community. Nor is it a consideration of trifling moment, that this expenditure is frequently a source of great and interesting events which amuse the imaginations of

* [Ibid. p. 409.]

men, even when the events on the whole are unfavourable to their interests. The contingencies of a great war have, in this respect, not unaptly been compared to the "caparisons and bells, which, by their show and jingle, induce a poor animal to jog on under his load, with cheerfulness."[1]

According to some writers, the introduction of this system by King William, was the effect of political foresight, in order to secure the attachment of individuals to Government, from the dependence of their property on its support and security; by others, it has been ascribed to a disposition in Ministers to multiply places, and to gain patronage; by a third description of politicians, (with still greater absurdity,) to the view of increasing the capital property of the kingdom. From the remarks which have been made, it appears plainly to have been the natural offspring of the circumstances in which the country was placed, and which, in proportion as they have existed in the other states of Europe, have been followed by similar consequences.

At the death of King William, our public debt was about fourteen millions sterling. At the death of Queen Anne, it amounted to fifty millions.[2] In the year 1797, (according to a report of a Committee of Parliament,) the funded debt amounted to £380,672,945.[3]

Our present war expenditure exceeds £30,000,000, and our permanent taxes amount to upwards of £20,000,000.[4]

I have entered into this detail concerning the Funding System, in order to convey a general idea of the causes which

[1] Eden's *Letters*, p. 86.

[2] The war of 1739 increased it to more than 78 millions. Before the breaking out of the war of 1755, it was reduced to little more than 72¼ millions. But at the conclusion of the peace in 1763, the *funded* debt amounted to more than 122½ millions, and in 1764, the whole debt was 139½ millions; and by the American war, it was increased to upwards of 230 millions.—Smith, [*Wealth of Nations*, Book V. chap. iii.; Vol. III. p. 421, *seq.*, tenth edition.]

[3] Eden, [*l. c.*] p. 92; Hamilton, [*l. c.*] p. 552.

[4] Lauderdale's last *Pamphlet*. During the American war the expenditure never exceeded £20,000,[000,] and the permanent taxes never exceeded £10,000,000.—Ibid. Permanent Taxes in 1783, £10,194,259; in 1798, £21,049,945.—*Rose's Pamphlet*.

have produced such a weight and complication of taxes in some of the greater states of modern Europe; and which have of consequence rendered the principles of taxation one of the most important in the science of Political Economy. What are the *effects* of such enormous burdens on the industry, the population, and the general industry of a country, is a question of very difficult discussion, to which different and opposite answers have been given by some of our most eminent writers.

In the very general sketches to which I am obliged to confine myself at present, it is impossible for me to attempt an examination of their arguments; and therefore I shall content myself (without expressing any opinion of my own) with pointing out this inquiry as one of the most interesting which this branch of Political Economy presents to the curiosity of a subject of Great Britain.

The most ingenious and best informed writer who has hitherto appeared as an advocate for the policy of our national debt, is Mr. Pinto, a Portuguese Jew, of whom I had occasion formerly to make mention. [*Pol. Econ.* Vol. I. *pluries.**] His *Essay on Circulation and Credit* is said, by Sir Francis D'Ivernois, to "be the first work in which the true theory of National Debts was unfolded; and to contain," in his opinion, "a greater variety, both of luminous views and of practical truths, than all the writings of the French Economists put together." The utility of the National Debt is also contended for, though on different and much less plausible principles, by the late Soame Jenyns; and by Mr. Edward King, in a pamphlet, (published in 1793,) entitled *Considerations on the Utility of the National Debt.*[1] Sir F. D'Ivernois, in some of his late publications, takes nearly the same ground with Mr. Pinto.

The arguments on the other side may be found in Mr. Hume and Mr. Smith. The latter has suggested various observations which are particularly directed against the theory of Pinto.† The former treats his antagonists with still less ceremony, com-

* [For articulate references, see *Index.*]

† [*Wealth of Nations*, Book V. c. iii.; Vol. III. p. 424, *seq.*, tenth edition.]

[1] Printed for T. Payne, Mews Gate, [London.]

paring their apologies for the national debt to "the panegyrics that were pronounced at Rome, as trials of wit, on Folly and Fevers, on Busiris and Nero."*

Among the various ingenious remarks which Mr. Hume has made on this subject, there is one very unaccountable observation in the earlier editions of his *Political Discourses*. "There is a word," says he, "which is here in the mouth of everybody, and which has also, I find, got abroad, and is much employed by foreign writers in imitation of the English, and that is *Circulation*. This word serves as an account of everything; and though I confess that I have sought for its meaning in the present subject ever since I was a schoolboy, I have never yet been able to discover it. What possible advantage is there which the nation can reap by the easy transference of stock from hand to hand? Or is there anything parallel to be drawn from the circulation of other commodities, to that of chequer notes and India bonds?"†

This observation is the more extraordinary, that in the next paragraph a very satisfactory answer is given to the foregoing questions. "Public securities are with us become a kind of money, and pass as readily at the current price as gold or silver. Wherever any profitable undertaking offers itself, how expensive soever, there are never wanting hands enough to embrace it; nor need a trader, who has sums in the public stocks, fear to launch out in the most extensive trade, since he is possessed of funds which will answer the most sudden demand that can be made upon him. No merchant thinks it necessary to keep by him any considerable cash. Bank stock, or India bonds, especially the latter, serve all the same purposes; because he can dispose of them, or pledge them to a banker in a quarter of an hour; and at the same time, they are not idle even when in his escritoire, but bring him in a constant revenue. In short, our national debts furnish merchants with a species of money that is continually multiplying in their hands, and produces sure gain, besides the profits of their commerce. This must enable them to trade on less profit. The

* [*Essays*, Vol. I. *Of Public Credit.*] † [Ibid., old editions.]

small profit of the merchant renders the commodity cheaper, causes a greater consumption, quickens the labour of the common people, and helps to spread arts and industry throughout the whole society."*

There is reason to believe that Mr. Hume came, in the progress of his speculations, to be aware of this inconsistency; as Mr. Pinto assures us, that when he saw Mr. Hume at Paris, the latter expressed "great satisfaction with the *Essay on Public Credit;*" and he adds, "I flatter myself he will one day correct some of his ideas on this subject." One thing is certain, that in the *last* edition of Mr. Hume's *Discourse*, he has *suppressed* entirely the passage already quoted about the obscurity of the word *circulation* as it respects public credit.

Of the general question which has divided the opinion of these authors, a question so difficult in itself, and which comes home so directly to the most momentous interests of this country, it never was my intention to treat in a course of academical lectures. But I could have wished to have had it in my power to give a general outline of the speculations of our most eminent practical politicians on a subject less delicate, and at the same time more *immediately* useful; the means of raising those supplies (which are rendered indispensable by our actual circumstances) in a way the least unjust to individuals, and the least calculated to obstruct the national opulence and improvement. Even in considering this article, it was not my design to deviate from the common track of speculation, but to confine myself to a statement of those principles which have had the chief influence of late on the policy of Great Britain. In a field where the most splendid talents have been so often employed, some important conclusions could not fail to reward a diligent survey; and at any rate an acquaintance with prevalent ideas forms a necessary branch of information, whatever judgment we may find reason to pronounce on their solidity. *The whole of this subject, however, I must omit at present*, as I am anxious to proceed at our *next* meeting to that article of Political Economy which relates to *the poor*. What remains

* [Ibid.]

of this lecture, I shall employ in some remarks on *taxes* which affect the *rent of land;* a branch of the general speculation which I select in preference to others, not only as it occupies the *first* place in Mr. Smith's arrangement, but as it will furnish me with an opportunity of mentioning a few particulars concerning the origin of that project of a *territorial tax*, which is commonly ascribed to the French *Economists.*

In entering on the subject of *Taxation*, Mr. Smith states *four maxims* as general and fundamental principles by which the comparative advantages and disadvantages of particular taxes may be estimated. Their evidence appear to him to be such, as to supersede the necessity of any illustration.

"1. The subjects of every state ought to contribute towards the support of the Government as nearly as possible, in proportion to their respective abilities. . . . In the observation or neglect of this maxim consists what is called *the equality* or *inequality of taxation.* . . .

"2. The tax which each individual is bound to pay ought to be certain, and not arbitrary. The time of payment, the manner of payment, the quantity to be paid, ought all to be clear and plain to the contributor, and to every other person. Where it is otherwise, every person subject to the tax is put more or less in the power of the tax-gatherer, who can either aggravate the tax upon any obnoxious contributor, or extort, by the terror of such aggravation, some present or perquisite to himself. . . .

"3. Every tax ought to be levied at the time, or in the manner in which it is most likely to be convenient for the contributor to pay it. . . .

"4. Every tax ought to be so contrived as to take out of the pockets of the people as little as possible over and above what goes into the treasury of the state."*

Of these maxims, the *last three* are expressed with sufficient precision, and may be safely assumed as self-evident truths. The *first* (which relates to what Mr. Smith calls the *equality of taxation*) is stated in terms so vague and ambiguous, that

* [*Wealth of Nations*, Book V. chap. ii.; Vol. III. pp. 255-257, tenth edition.]

it is hardly possible to make any use of it as a principle of reasoning. This is the more remarkable, that it is to be found in almost every writer who has treated of Political Economy. If, indeed, by the *equality of taxation*, it is meant merely that taxes ought to be imposed in as equitable a manner as possible, for the *whole community*, without partiality or prejudice to particular individuals, or to particular classes of men, it may well be regarded as a principle whose evidence sufficiently recommends it, without the aid of any comment; and it is in this sense alone that I would be understood to employ the phrase, if at any time it should occur in the course of our future reasonings. It is curious, however, that while all writers agree in stating the maxim as a self-evident truth, hardly any two agree in giving the same interpretation to the word *ability;* and the greater part ascribe to it meanings that involve very problematical propositions. Mr. Smith, for example, after stating the maxim, adds the following explanation:—"That is, the subjects of every state ought to contribute towards the support of the Government, as nearly as possible in proportion to the *revenue* which they respectively enjoy under the protection of the state."* Mr. Young, on the other hand, in commenting on the very same maxim, remarks, that "by *ability* must not be understood either capital or income, but that *superlucration*, as Davenant called it, which melts in consumption. Suppose, (for example,) a manufacturer makes a profit of £2000 a year, living upon £500, and annually investing £1500 in his business, it is sufficiently obvious, upon just principles, that the state cannot lay the £1500 under contribution by taxes. The £500 is the only income exposed. But when the manufacturer dies, and his son turns gentleman, the whole income is made to contribute. . . . In like manner, if a landlord farm his own estate, and expend the income in improvements, living on but a small portion of the profit, it is sufficiently clear that taxes ought not to affect one shilling of his expenditure on his land; they can reach with propriety the expenses of his living only; if they touch any other part of his

* [Ibid. p. 255.]

expenditure, they deprive him of those tools that are working the business of the state. The proposition, therefore, that a man should pay *according to his ability*, must be understood in a restrained sense."[1]

Sir James Steuart lays it down as a general principle, that "according to equity and justice, *all* impositions whatsoever ought to fall equally and proportionally on every one *according to his superfluity*;"* that is, (as he explains himself afterwards,) according to the income that remains to him after the necessary expense of subsistence. "Whatever a people consumes," he observes, "beyond the necessary, I consider as a superfluity which may be laid under taxation."† And in another passage, "nothing can be the object of taxation, except what is over and above the physical necessary of every one."‡

I have mentioned these different interpretations of Mr. Smith's first maxim, not with a view of deciding in favour of any one of them in preference to the others, but to express my dissent from *all of them*, when stated in the form of self-evident propositions. The maxim, indeed, as first announced by Mr. Smith, has the appearance of an axiom; and in the very general sense in which I have explained it, nobody can dispute its claim to this appellation; but, according to the meanings annexed to it both by this writer and the others just now quoted, it is made a pretext for prejudging, without any examination, one of the nicest questions which are connected with the theory of taxation. It is very rarely indeed, that in morals or in politics, we can follow with safety the mathematical mode of reasoning synthetically from general principles. Few maxims are to be found which are perfectly indisputable when proposed in an abstract form; and even when such occur, there is a danger (as in the present instance) of their being differently understood by different individuals, according to their pre-conceived theories, so as to give a false shew of demonstrative evidence to reasonings which lead to widely different conclusions.

[1] [*Political Arithmetic* ?] pp. 521, 522.

* [*Political Œconomy*, Book V. chap. xii.; *Works*, Vol. IV. p. 298.]

† [Ibid. p. 317.]

‡ [Ibid. p. 314.]

To these maxims of Mr. Smith, the following one may be added as a principle equally general in its application,—

5. No tax should be imposed in such a manner as to drain the source from which it is derived ;[1] or, (as Sir James Steuart expresses it,) "Taxes ought to affect the *fruits and not the fund.*"* Impositions, which necessarily imply a diminution of any capital, cannot properly be ranged under the head of *taxes*, inasmuch as every payment diminishes necessarily the productiveness of the tax in future. In fact, every such contribution realizes the fable of the boy who killed the goose with the golden eggs. "Thus," says the last mentioned writer, "when the Dutch contributed, not many years ago, the hundredth part of their property to the service of the state, I cannot properly consider that in the light of a *tax ;* it was indeed a most public spirited *contribution*, and did more honour to that people, from the fidelity with which it was made, than anything of the kind ever boasted of by a modern society."†

In the examination of particular taxes, Mr. Smith arranges his observations under four heads,‡ suggested to him by the *Analysis* given in another part of his work, of the sources of private revenue. As the revenue of individuals arises ultimately from three different sources, rent, profit, and wages, every tax must finally be paid from some one or other of these, or from all of them indifferently. Accordingly, he treats (1.) Of those taxes which it is intended should fall upon *rent ;* (2.) Of those which it is intended should fall upon *profit ;* (3.) Of those which it is intended should fall upon *wages ;* and (4.) Of those which it is intended should fall indifferently upon all those *three different sources* of private revenue. In the further prosecution of the subject, I shall follow the same arrangement, beginning (according to Mr. Smith's order) with the consideration of taxes upon *rent.*

[1] Ferguson, [*Principles of Moral and Political Science*, Part II. chap. vi. sect. 5 ;] Vol. II. p. 436.

* [*Political Œconomy*, Book V. chap. i. ; *Works*, Vol. IV. p. 175.]

† [Ibid. pp. 175, 176.]

‡ [*Wealth of Nations*, Book V. chap. ii. ; Vol. III. p. 259, *seq.*, tenth edition.]

[SECT. II.]—TAXES UPON LAND.*

[SUBSECT. I.]—*Taxes upon the Rent of Land.*

A tax upon the *rent of land* may be imposed in *two* different ways:—i. It may be imposed according to a certain *Rule* or *Canon*, which, being once fixed, is understood not to be liable to subsequent alterations; or, ii. It may be proportioned to the *actual rent*, rising or falling, according to the progressive or declining state of the land in point of cultivation. [Of these in their order.]

[i.]—The *Land Tax* in England is of the *former* description. The original of this tax is traced by Sir William Blackstone to the period when military tenures were introduced, when every tenant of a knight's fee was bound, if called upon, to attend the king, in his array, for forty days in every year. But this personal attendance growing troublesome in many respects, the tenants found means of compounding for it, by first sending others in their stead, and, in process of time, by making a pecuniary satisfaction to the crown as an equivalent. This pecuniary satisfaction at last came to be levied by assessments, at so much for every knight's fee, under the name of *scutage*, which appears to have been levied for the first time in the 5th year of Henry II., on account of his expedition to Toulouse, and were then, probably, mere arbitrary compositions, as the king and the subject could agree. But this precedent being afterwards abused into a means of oppression, it became a matter of national complaint; and King John was obliged to promise, in his *Magna Charta*, that no scutage should be imposed without the consent of the Common Council of the realm.

Of the same nature with scutages upon knights' fees, were the assessments of *hydage* upon all other lands, and of *tallage* upon cities or burghs. But they all gradually fell into disuse upon the introduction of subsidies about the time of King Richard II. and King Henry IV. These were a tax, not immediately

* [It has been found requisite to modify the distribution of Mr. Smith and Mr. Stewart, stated in the last preceding page. The word "LAND" is here substituted for the word "RENT."]

imposed upon property, but upon persons in respect of their reputed estates, after the nominal rate of four shillings in the pound for lands, and two shillings and eightpence for goods, and for those of aliens in a double proportion. But this assessment was also made according to an ancient valuation, in which the computation was so very moderate, and the rental of the kingdom was supposed to be so extremely low, that one subsidy of this sort did not, according to Sir Edward Coke, amount to more than £70,000, whereas a modern land-tax, at the same rate, produces two millions. It was anciently the rule never to grant more than one subsidy and two fifteenths[1] at a time; but this rule was broken through, for the first time, on a very pressing occasion,—the Spanish invasion in 1588, when the Parliament gave Queen Elizabeth two subsidies and four fifteenths. Afterwards, as money sunk in value, more subsidies were given; and we have an instance, in the first parliament of 1640, of the king's desiring twelve subsidies of the Commons, to be raised in three years,—a proposal which excited much alarm at the time, although the total amount of the sum to be thus levied, (according to Blackstone's calculation,) is less than what is now raised in one year by a land-tax of two shillings in the pound.

The subsidy was usually raised by Commissioners appointed

[1] Tenths and fifteenths were temporary aids, issuing out of personal property, and granted to the king by parliament. They were formerly the real tenth or fifteenth part of all the movables belonging to the subject. Tenths are said to have been first granted under Henry II.; but, afterwards, fifteenths were more usually granted than tenths. Originally the amount of these taxes was uncertain, being levied by assessments, new made at every fresh grant of the Commons; but it was at length reduced to a certainty in the 8th year of Edward III., when, by virtue of the King's Commission, new taxations were made of every township, borough, and city in the kingdom, and recorded in the Exchequer, which rate was, at the time, the fifteenth part of the value of every township, the whole amounting to about £29,000. And, therefore, it still kept up the name of a fifteenth, when, by the alteration of the value of money, and the increase of personal property, things came to be in a very different situation. So that, when of later years the Commons granted the king a fifteenth, every parish in England immediately knew their proportion of it; that is, the same identical sum that was assessed by the same aid in the 8th of Edward III., and then raised it by a rate among themselves, and returned it into the Royal Exchequer.—Blackstone, *Commentaries*, Vol. I. p. 308.

by the Crown, or the Great Officers of State; and, therefore, in the beginning of the civil wars between Charles I. and his Parliament, the latter having no other sufficient revenue to support themselves and their measures, introduced the practice of laying weekly and monthly assessments of a specific sum upon the several counties of the kingdom, to be levied by a pound rate on lands and personal estates; which were occasionally continued during the whole usurpation, sometimes at the rate of £120,000 a month, sometimes at inferior rates. After the Restoration, the ancient method of granting subsidies, instead of such monthly assessments, was *twice*, and *twice only*, renewed, viz., in 1663 and in 1670, (when £800,000 was raised by way of subsidy,) which was the last time of raising supplies in that manner. For the monthly assessments being now established by custom, being raised by Commissioners named by Parliament, and producing a more certain revenue; from that time forwards we hear no more of subsidies, but occasional assessments were granted as the national emergencies required.

These periodical assessments, the subsidies which preceded them, and the more ancient scutage, hydage, and talliage, were, to all intents and purposes, a *land-tax;* and the assessments were sometimes expressly called so. The idea, therefore, of taxing landed property was by no means a novelty, (as some have supposed,) introduced in the reign of William III.; all that was then done was to *extend* the principle, by introducing a new plan for levying the tax, agreeably to a new assessment or valuation of estates throughout the kingdom. This valuation was made in 1692, and it is according to that, Parliament at present renews the grant of the land-tax, and orders it to be collected. It is observed by Mr. Christian, in his *Notes on Blackstone*, that even the plan and arrangements for levying this tax (as specified in the 4th of William and Mary) are, in all the most important particulars, copied from the Act of Charles II., already referred to, (22 and 23 Car. II., passed in 1670,) in which the mode of collecting the land-tax differs totally from the former subsidy assessment, and appears to have been

suggested by an Act passed in the time of the Commonwealth, (1656,) for an assessment to raise £60,000 a month.

Before proceeding farther, it is proper for me to remark, that what is called the *Land-tax* in England, does not affect merely *landed* property, but all personal estates, except property in the public funds, and stock upon land, supposed necessary for agriculture. With these exceptions, all personal estates are charged in the same proportion as land-rents. In this respect, the land-tax, as it is levied at present, agrees with the subsidies and other taxes already referred to. "Indeed," as Sir James Steuart observes, "there is no vestige in the *History of England* of any tax imposed *singly* on land. The subsidies, monthly assessments, and pound-rates in the different stages of the monarchy, have all been mixed duties, composed of a charge upon the lands, upon the money and personal estates of the subject, and frequently including a poll-tax, where men of different ranks were differently charged."*

According to the valuation made in 1692, a supply of £500,000 was equal to one shilling in the pound of the value of the estates given in. Since that period it has continued an annual charge on the subject;—in general, at four shillings in the pound, sometimes at three, sometimes at two; twice at one (viz., in the years 1732, 1733,) but without any total intermission. The method of raising it is, by charging a particular sum upon each county, according to the valuation given in, in 1692; and this sum is assessed and raised upon individuals, (their *personal* estates as well as *real*, being liable to the tax,) by Commissioners appointed in the Act, being the principal landholders of the county, and their officers.

It is commonly understood that the valuation according to which the different counties and parishes were assessed to the land-tax by the 4th of William and Mary, was very unequal at its first establishment, in consequence of the liberality or fraud of the owners and assessors in their representations of the value, produced by their attachment or aversion to the new government. In this respect, therefore, the English land-tax was

* [*Political Œconomy*, Book V. chap. xi., footnote; *Works*, Vol. IV. p. 280.]

even from the beginning reprehensible upon the general principle stated by Mr. Smith, as the *first* of his fundamental maxims.

Besides this inequality, however, another disproportion in the general assessment has been occasioned by the unequal cultivation of the different counties of England since the close of last century, and such has been the effect of these two causes combined, that while some estates pay four shillings, others pay fourpence, or even less, by the same rule of proportion. A late writer asserts, upon good information, that a gentleman possessing an estate of £5000 a year, in one of the northern counties of England, pays in land-tax, at four shillings in the pound, only £75.[1] To an inequality of the same kind, *every* land-tax must necessarily become liable in process of time, which is imposed according to a certain invariable canon, however equitably that canon may have been adjusted at the time it was established.

This defect, in point of *equality* is, in the opinion of Mr. Smith, the only one which can be objected to the English land-tax:—"It is perfectly agreeable," he observes, "to all the other general principles which ought to regulate taxation;" and, more particularly, he adds, "it possesses the recommendation of perfect *certainty*."*

In opposition, however, to this unqualified encomium, something may be objected; and, in fact, a very able writer, Sir J. Steuart, has fixed on this very circumstance of *certainty* as one in which the English land-tax is remarkably defective. "The sums imposed," says he, "at so many shillings in the pound upon every district in the kingdom, whether cities, towns, universities, or open country, &c., are not distributed according to any rule of proportion upon the property of individuals; but this operation is left to assessors. . . . By the original distribution, indeed, it appears what every city, county, university, &c., is to pay according as the tax is imposed at one, two, three, or four shillings in the pound. Still, however, such a regulation nowise prevents the inconveniences which attend this tax, because the burden of it does not consist in the total amount

[1] Gray's *Pamphlet*. Becket, 1797, p. 104.

* [*Wealth of Nations*, Book V. chap. ii.; Vol. III. p. 260, tenth edition.]

so much as in the particular distribution upon the inhabitants in every subdivision.

"Suppose, for example, the proportion of the general sum for a particular district to be £10,000 at four shillings in the pound, how is this to be levied as the law stands? Instead of books of valuation, which shew at least the proportion of every man's property, if not the real value of it, assessors are constantly called in, who examine the rents of all the lands according to the last leases of them. If they have been improved and let at a higher rent than formerly, the proportion of the tax is augmented. If they have not been let, but remain in the possession of him who improved them, the tax is not augmented. If the tax be found to fall too heavy upon the lands and houses, then personal estates are made to contribute, as is the case in London. All questions or disputes about the repartition of the tax, are determined, without appeal to the courts of law, by the commissioners appointed for laying on the tax; as in France, (under the old Government,) they were determined by the Intendant."* And, indeed, without this regulation (as Sir James Steuart himself acknowledges) all would run into confusion.

In proof of this opinion he observes, that "any proprietor of lands is entitled, from the words of the Statute, to insist that the whole personal estates of those of the district shall enter into computation of the total value upon which the sum imposed is to be assessed. Were such questions," he continues, "to come before a court of law, where the judges are obliged to determine almost according to the letter of it, no land-tax could possibly be levied in this kingdom. But manners, not laws, govern mankind. The spirit of the English nation is such as to be incompatible with anything that savours of oppression: hence the few complaints against the assessors, or those who judge between parties. And as the Land-tax is levied without any complaints, except as to the total amount, while that remains the case, the fewer innovations that are made on it the better."†

* [*Political Œconomy*, Book V. chap. xi.; *Works*, Vol. IV. pp. 279-282.]

† [Ibid. p. 282.]

In other respects, the English land-tax possesses important advantages.—1. The time of payment for the tax being the same as that for the rent, is as convenient as it can be to the landlord, who is plainly, in all cases, the contributor; the tenant only advancing the tax, and being entitled to deduct it in the payment of the rent.—2. This tax is levied by a much smaller number of officers than any other which affords nearly the same revenue.—3. As the tax does not rise in proportion to the rise of the rent, the sovereign does not share in the profits of the landlord's improvements, and, therefore, does not operate (like a variable land-tax) "as a bounty on bad husbandry, and a penal law against improvement."[1]

Notwithstanding, however, these considerations, which so strongly recommend this species of taxation, it is justly remarked by Mr. Smith,* that the advantage which the landlord has derived from the invariable constancy by which the lands are rated to the land-tax, has been principally owing to circumstances altogether extraneous to the nature of the tax, and which, if they had happened accidentally to be different, might have rendered this invariable constancy a source of much inconveniency, either to the contributors or to the commonwealth. 1. Since the time when this valuation was first established, the rents of almost all the estates of Great Britain have been continually rising, and scarce any of them have fallen. The landlords, therefore, have gained the difference between the tax which they would have paid, according to the present rent of their estates, and that which they actually pay. Had rents been gradually falling, the landlords would have lost this difference, and the sovereign would have gained it.—2. Since the establishment of this valuation, the value of silver has been pretty uniform, and there has been no alteration in the standard of the coin. And, therefore, (as it is in money that the valuation of the land is expressed, and also that the tax is payable,) things have remained *nearly* (at least as far as money is concerned,) in their original estate, both for sovereign and subject.

[1] Eden's *Letters*, p. 102.

* [*Wealth of Nations*, Book V. chap. ii.; Vol. III. p. 261, *seq.*, tenth edition.]

Had silver risen, it would have proved very oppressive to the landlord: had it fallen, it would have reduced the revenue of the sovereign. Had any considerable alteration been made in the standard of the money, it would have hurt the revenue either of the one or of the other. "In the course of ages, however," adds Mr. Smith, "such circumstances must, at some time or other, happen, and a constitution intended to be permanent, ought to be convenient, not in certain circumstances only, but in all circumstances; or, in other words, ought to be suited, not to those circumstances which are accidental, but to such as are necessary, and, therefore, always the same."*

In what has been hitherto said on the subject of the land-tax, I have taken no notice of *Scotland*, as the greater part of the general principles which have been stated are equally applicable to both parts of the island. Some important differences, however, exist both in the *proportions* and in the *mode* in which the two kingdoms contribute to this branch of revenue; and of these it may be satisfactory to give some account before concluding the present article.

In the history of England, there is no vestige, since *Doomsday Book*, of any regular valuation being made of all the *lands* of the kingdom. But in Scotland, this operation has been carried into execution (with what accuracy it is not possible now to determine) in various instances, partly for regulating the proportion of public subsidies, and partly for ascertaining the amount of non-entry and relief-duties payable to the superior.

The first general valuation is commonly supposed to have taken place towards the end of the 13th century, in the time of Alexander III.; but it has been rendered extremely probable by Lord Hailes and by Dr. Gilbert Stuart, that long before this time similar attempts had been made and accomplished.[1] Our lawyers, however, always refer to this period as the farthest limit to which our inquiries on this point can be carried with

* [Ibid. p. 262.]

[1] Hailes' *Annals of Scotland*, Vol. I. p. 184.—Stuart's *Public Law*, &c., pp. 67, 202.—(Consult on this subject Boyd's *Justice of Peace*.)

any certainty, distinguishing the valuation which was then made, by the title of the *Old Extent.*

A revaluation of lands, it is conjectured, was made when a tax was to be imposed for the ransom of David II.; and there is indisputable evidence of a valuation in the times of James I.[1] In consequence, however, of the progress of agriculture, and perhaps also of the heightening of the nominal value of our money, these valuations were considered as too low a standard for the superior's casualties; and, accordingly, in the reign of James III., it was ordained, that in all Services of Heirs, the jury should express in their inquiry or *retour*, not only the old extent of the lands of a deceased proprietor, but their exact value at the period of the investiture of the heir; (*quantum nunc valent.*) This transaction was deemed equivalent to a valuation; and it obtained the appellation of the *New Extent.*

Whilst, however, the New Extent became the measure of assessment in adjusting the feudal casualties due by vassals to their superiors, the Old Extent continued the rule for levying public subsidies, till the usurpation of Cromwell. By two Acts of his Parliament, held at Westminster in 1656, imposing taxations on Scotland, the rates laid upon the counties are precisely fixed; and by the Act of the Convention of Estates 1667, the subsidy then granted was levied on the several counties, nearly in the same proportions that were fixed by Cromwell in 1656; the sums to which each county was subjected being subdivided among the individual landholders in that county, according to the valuations already settled, or that should be settled by the commissioners appointed to carry that Act into execution. For a few years after the Restoration, the land-tax had been levied according to the Old Extent; but since 1667, when Cromwell's valuations were adopted, they have continued to furnish the rules according to which the land-tax, and most of the other public burdens, have been levied.[2] The rent fixed by these valuations is commonly called the *valued rent*, and is always stated in Scotch money.

[1] G. Stuart, [*Observations concerning the Public Law of Scotland*, &c.,] p. 68.

[2] Stuart, [*l. c.*]—Erskine, pp. 155, 156; [*Institutes*, Book II. Title v. sect. 35.]

In adjusting the proportional burdens of the two kingdoms at the time of the Union, the relative rates at which they were to contribute to the land-tax, were for ever ascertained as a fundamental article, in the following terms:—

ART. IX.—"That whenever the sum of one million, nine hundred, ninety-seven thousand, seven hundred and sixty pounds, eight shillings and fourpence halfpenny,"—a sum which we may state, in round numbers, at *two millions*,—"shall be enacted by the Parliament of Great Britain to be raised in that part of the United Kingdom called England, on land and other things usually charged in Acts of Parliament there, for granting an aid to the Crown by a land-tax, that part of the United Kingdom now called Scotland, shall be charged by the same Act with a sum of forty-eight thousand pounds, free of all charges, as the *quota* of Scotland to such a tax, and so proportionably for any greater or lesser sum raised in England by any tax on land, and other things usually charged together with the land: And that such *quota* for Scotland, in the cases aforesaid, be raised and collected in the same manner as the Cess now is in Scotland; but subject to such regulations, in the manner of collecting, as shall be made by the Parliament of Great Britain."*

So much with respect to land-taxes, imposed like that of Great Britain, according to an *invariable canon.*

[ii.]—I now proceed to the consideration of land-taxes which vary with the variations of the rent,—that is, which *rise and fall according to the improvement or decline of cultivation.* The example of such a tax occurs in the Venetian territory, where all the arable lands which are let upon lease to farmers are taxed at a tenth of the rent. The leases are recorded in a public register, which is kept by the officers of revenue in each province or district. When the proprietor cultivates his own lands, they are valued according to an equitable estimation, and he is allowed a deduction of one-fifth of the tax; so that, for such lands he pays only eight instead of ten per cent. of the supposed rents.

* [*Treaty of Union*, &c., 1706, Scots Acts.]

There can be no doubt that a land-tax of this kind is more *equal* than the land-tax of England; and if it should be somewhat inferior to it in point of *certainty*, and in *the cheapness of levying it*, these disadvantages might, in a great measure, be obviated by a proper system of administration. Frauds against the revenue might be easily prevented, by obliging the landlord and tenant jointly to record their lease in a public register, and by enacting proper penalties against concealment or misrepresentations. The principal objection seems to be, that such regulations might have the effect of preventing *leases*, and thereby diminishing that independence of the cultivators on which the improvement of agriculture chiefly depends.[1]

In establishing such a system of administration, it has been apprehended farther, that various regulations might be devised which would serve to introduce into the common management of land, a policy calculated to advance the general improvement of the country, and to correct the injudicious practices which individuals are apt to adopt, from mistaken views with respect to their own interest or that of the public.

Some landlords, (for example,) particularly such as are of a spendthrift disposition, instead of raising the rent, take a fine for the renewal of the lease,—"a practice," as Mr. Smith remarks, "in *most* cases hurtful to the landlord, frequently hurtful to the tenant, and always hurtful to the community."* By rendering the tax upon such fines a good deal heavier than upon the ordinary rent, this pernicious practice might be discouraged, to the advantage of all the various parties concerned. Various other regulations of a similar tendency are suggested by Mr. Smith, as easy to be grafted upon such a scheme of taxation, and as affording of consequence so many additional arguments in its favour. Into this detail it is unnecessary for me to enter.

The great objection to a variable land-tax of this kind, is the discouragement which it might give to agricultural improvements. The landlord would certainly be less disposed to im-

[1] Young's *France*, p. 522.

* [*Wealth of Nations*, Book V. chap. ii.; Vol. III. p. 264, tenth edition.]

prove, when the sovereign, who contributed nothing to the expense, was to share in the profit of his exertions. "There is no man," says Mr. Young, "who has been attentive to the progress of husbandry in this kingdom, but what must be sensible that, if our present land-tax of a nominal four shillings in the pound was a variable one depending on the rent, our agriculture would suffer considerably. The grand encouragement it meets with now, is the stability of the land-tax. If a landlord takes or buys a farm worth only fifty pounds a year, and by improvement makes it worth five hundred pounds a year, he has no increase of tax; will any person of common sense affirm, that a contrary system, a system which divides his profits with him the moment he makes them, which bears on him in direct proportion to his spirit and his merit, will they assert that such a system is beneficial to husbandry?"

Mr. Smith, while he acknowledges the force of this objection, suggests a method by which he apprehends that it might be obviated. For this purpose, he proposes that "the landlord should be allowed, before he began his improvement, to ascertain in conjunction with the officers of revenue, the actual value of his lands, according to the equitable arbitration of a certain number of landlords and farmers in the neighbourhood equally chosen by both parties; and that he should be rated according to this valuation for such a number of years as might be fully sufficient for his complete indemnification."*

On the other hand, he remarks, as a very weighty argument in favour of the tax, that "in all the variations of the state of the society, in the improvement and in the declension of agriculture; in all the variations in the value of silver, and in all those of the standard of the coin, a tax of this kind would, of its own accord, and without any attention of Government, readily suit itself to the actual situation of things, and would be equally just and equitable in all those different changes. It would, therefore, be much more proper to be established as a perpetual and unalterable rule, than any tax which was always to be levied according to a particular valuation."†

* [Ibid. p. 268.]

† [Ibid. p. 269, *seq.*]

These and some other apprehended advantages connected with such a species of land-tax as has been now under consideration, added to a very ingenious metaphysical speculation concerning the funds from which all taxes are ultimately paid, have led a celebrated sect of philosophers in France, (commonly known by the title of the *Economists*,) to propose it as a substitute for all the other taxes which have been devised by the financiers of modern Europe. As the produce of the earth is the only real source of wealth, so (according to these writers) it ought to be the only subject of taxation. This opinion they support by attempting to shew, that whether taxes are imposed on commodities, or on the profits of the industrious, they must ultimately fall on the proprietors of land; and, of consequence, that they would be less burdensome if imposed directly, than when they come to be thus circuitously paid. (Lauderdale.) Excises, for example, and other taxes on consumption, are blended by every artisan and tradesman with the price of his work, which prices, accumulating as they advance, render everything dearer except to people in trade who draw back the accumulation, so that the landed interest not being in trade, receives the weight at last with the progressive profits of the whole train.[1]

This scheme of supplanting all other public burdens by means of a territorial tax, is illustrated and defended with great ingenuity by Quesnai, by the Marquis of Mirabeau, by Dupont, and others, and was sanctioned by the approbation of one of the most enlightened statesmen of modern times, M. Turgot. On the other hand, it has been combated with great zeal by Necker and other writers in France, by Mr. Pinto, and by a long list of very eminent politicians in this country, particularly by Mr. Hume, Sir James Steuart, and Mr. Smith. Mr. Arthur Young, too, has treated it with peculiar severity on various occasions, and has examined the arguments in its favour at some length, but in a very loose and superficial manner, in his Treatise entitled *Political Arithmetic*.

As I propose afterwards to consider, with some attention, this question concerning a *Territorial Tax*, (a question which

[1] Young's *Political Arithmetic*, p. 211.

forms a very conspicuous article in the *agricultural* system of Political Economy,) I shall not at present attempt any statement of the reasonings which have been offered *for*, or *against it*. I shall only remark, that the first idea of it was borrowed from this country, where it has been repeatedly suggested by authors of reputation, although it had been almost forgotten as an exploded chimera, when it was revived by the Economists of France.

The following passage from Mr. Locke's [First] *Considerations of the Lowering of Interest, and Raising the Value of Money*, is so exactly conformable to the principles of Quesnai, that there can be little doubt it suggested the first notion of that part of the Economical system which relates to taxation.

"Taxes, however contrived, and out of whose hand soever immediately taken, do, in a country where their great fund is in land, for the most part, terminate upon land. Whatsoever the people is chiefly maintained by, that the Government supports itself on: nay, perhaps it will be found, that those taxes which seem least to affect land, will most surely of all others, fall the rents. This would deserve to be well considered in the raising of taxes, lest the neglect of it bring upon the country gentleman an evil which he will be sure quickly to feel, but not be able very quickly to remedy; for rents once fallen, are not easily raised again. A tax raised on the land seems hard to the landholder, because it is so much money going visibly out of his pocket, and therefore, as an ease to himself, the landholder is always forward to lay it on commodities. But if he will thoroughly consider it, and examine the effects, he will find he buys this seeming ease at a very dear rate: and though he pays not this tax immediately out of his own purse, yet his purse will find it by a greater want of money there at the end of the year than that comes to, with the lessening of his rents to boot, which is a settled and lasting evil, that will stick upon him beyond the present payment. . . .

"It is in vain in a country, whose great fund is land, to hope to lay the charge of the Government on anything else; *there* at last it will terminate. The merchant, do what you can, *will*

not bear it; the labourer *cannot;* and therefore the landholder *must.* And whether he were best do it, by laying it directly where it will at last settle, or by letting it come to him by the sinking of his rents, which when they are once fallen, every one knows are not easily raised again, let him consider."

The same opinions are held by Jacob Vanderlint, in his *Essay to make Money Plentiful;*[1] and by Mr. Asgill in his *Assertions Proved, in order to Create another Species of Money than Gold or Silver.* Of this last writer, who seems to have been a man of very eccentric genius, some account is given in the *Biographia Britannica.* He wrote about the end of the last, and beginning of the present century.

Before I conclude this article, I shall take notice very briefly of some of those *valuations* or *surveys* which different states have attempted of their territories, with the view of carrying land-taxes into execution in the most accurate and equitable manner. The object, indeed, which they aimed at, might have been accomplished much more simply and effectually by an expedient formerly suggested, (a *Register of Leases,* [*supra,* p. 235.]) But the labour cannot in all cases be considered as lost; inasmuch as it has furnished some important documents with respect to various objects of statistical research, concerning which historians are in general silent.

Of *Doomsday-Book,* in particular, (which Mr. Smith considers as the result of a very accurate survey of this kind;*) Mr. Hume has observed, that "it may be justly regarded as the most valuable monument of antiquity possessed by any nation."† This book contains an account of all the lands in England, (except the four northern counties, Northumberland, Cumberland, Westmoreland, Durham, and part of Lancashire, which Mr. Hume supposes to have been omitted in this survey, "because of their wild uncultivated state;")‡ their extent in each district; their proprietors, tenures, value; the

[1] Published in 1734.

* [*Wealth of Nations,* Book V. chap. ii.; Vol. III. p. 270, tenth edition.]

† [*History of England,* Chap. IV., William the Conqueror.]

‡ [Ibid.]

quantity of meadow, pasture, wood, and arable land which they contained; and in some counties the number of tenants, cottagers, and slaves of all denominations who lived upon them. William the Conqueror, in whose reign the survey was made, appointed commissioners to carry it into execution. They entered every particular in their register by the verdict of juries; and, after a labour of six years, brought him an exact account of all the landed property of his kingdom. The motive for the undertaking, as assigned by several ancient records and histories, was that every man should be satisfied with his own right, and not usurp with impunity what belonged to another; but (as I have already hinted) other views probably conspired to suggest the idea; for in the latter end of the very year when the survey was finished, the king was attended by all his nobility at Sarum, where all the principal landholders submitted their lands to the yoke of military tenure, became the king's vassals, and did homage and fealty to his person. And although this idea, that the king is the universal lord and original proprietor of all the lands in the kingdom, is, as Blackstone remarks, "*a mere fiction*, yet the Norman interpreters gave a very different construction to this proceeding, and thereupon took a handle to introduce not only the rigorous doctrines which prevailed in the Duchy of Normandy, but also such fruits and dependencies, such hardships and services, as were never known to other nations."[1] King Alfred, about the year 900, composed a book of like nature, of which this was in some measure a copy.[2]

That false returns were made by the commissioners in some instances, in spite of all the precautions taken by the Conqueror, is now universally admitted. Notwithstanding, however, this circumstance, the authority of *Doomsday-Book*, in point of tenure, has never been permitted to be called in question; for instance, when it has been necessary to distinguish whether lands held in ancient Demesne, or in what other manner, recourse has always been had to *Doomsday-Book exclusively*, to determine the doubt. "The tallages," says Madox, "formerly

[1] *Comm.* Vol. II. p. 51.

[2] Grose's *Antiquities*, Vol. I. Preface, p. 78.

assessed upon the king's tenants in ancient demesne, were usually greater than the tallages upon persons in the counties at large; and, therefore, when persons were wrongfully tallaged with those in ancient demesne, it was usual for them to petition the Crown to be tallaged with the community of the county at large. Upon this, the King's writ, issued to the Barons of the Exchequer, to acquit the party aggrieved of such tallage, in case, upon search of *Doomsday-Book*, the Barons found the lands were not in ancient demesne."[1] I mention this fact, because, according to our best antiquaries, it was the definitive authority of this book that suggested its *name*,—its decisions, like those at the *Day of Judgment*, [*of Doom*,] admitting of no appeal. Stowe, indeed, gives a different account of its appellation, deriving it from a corruption of *Domus Dei*-Book,—a title which he supposes it to have acquired from its being formerly deposited in the king's treasury, in a place of the church of Westminster called *Domus Dei*. The former etymology, however, is generally considered as the more probable of the two.

This great national record was kept, till a few years ago, under three different locks and keys,—one in the custody of the treasurer, and the others of the two chamberlains of the Exchequer. It is now deposited in the Chapter-House at Westminster, where it may be consulted, on paying a trifling fee to the proper officers.[2]

It is not easily conceivable for what reason the Economists of France should have added to the other strong objections to which their project is liable, the difficulty of periodical surveys similar to that which has been now described, when, it would appear, that the same purpose might be answered, *in all essential respects*, by a registration of leases. In general, they seem to consider a *Cadastre* of the whole kingdom as a step essentially necessary for an equitable imposition of their territorial-tax; and, accordingly, it is demanded of the States-General in many

[1] Quoted by Grose, [*ut supra*,] p. 81.

[2] Grose, [Ibid.] p. 82. For some details with respect to other valuations in different countries of modern Europe, see Smith, Vol. III. p. 222; [*Wealth of Nations*, Book V. chap. ii.; Vol. III. p. 270, *seq.*, tenth edition.]

of the *Cahiers* at the commencement of the late Revolution. The enormous expense of such an operation has not been always sufficiently attended to, although we are in possession of some authentic documents to assist us in forming an estimate. The *Cadastre* of Limousin (we are assured) cost £113,355, at which rate it is computed that a similar one for the whole kingdom would amount to £3,628,800. A very intelligent writer (M. Meunier[1]) asserts, that it would furnish employment to upwards of 3000 engineers during eighteen years; and yet M. le Trosne, in explaining the Economical system, proposes that this operation should be repeated every nine years.[2] "There is no country," says he, "where it is not necessary to make an inventory of all the territory in the most complete detail,—to register every portion of land,—to be acquainted with the changes it undergoes,—to value the revenue it yields, and where (if it is proposed to establish, for perpetuity, an equal and proportional tax) it is not *indispensable*, to ascertain, from time to time, the fluctuations to which this revenue is liable."[3] He afterwards explains himself more precisely, by asserting the absolute necessity of having a new valuation every nine years; and finds fault with the King of Sardinia's *Cadastre*, because the valuation has never been renewed.

The survey and valuation of Bohemia, which was perfected soon after the peace 1748, is said to have been the work of more than a hundred years. The survey of the Duchy of Milan, which was begun in the time of Charles VI., was not perfected till after 1760. It is esteemed one of the most accurate that has ever been made.

A continual and painful attention, on the part of Government, to all the variations in the state and produce of every different farm in a large territory, is (as Mr. Smith observes)* a thing so unsuitable to the nature of government, that it is not likely to be of long continuance in any country; and if it

[1] *Essai d'un Méthode Générale à étendre les Connaissances des Voyageurs.* p. xiv. (quoted by Young, [*ut supra*,] p. 530.

[2] Young's *France*, p. 522.

[3] Le Trosne, *Ad. Prov.* Tom. I. pref.

* [*Wealth of Nations*, Book V. chap. ii.; Vol. III. p. 272, tenth edition.]

were continued, it would probably, in the long run, occasion much more trouble and vexation than it can possibly bring relief to the contributors. An attention of this kind, however, is actually exerted by the Government of Prussia, of Bohemia, of Sardinia, and of the Duchy of Milan.

[SUBSECT. II.]—*Taxes which are proportioned, not to the Rent, but to the Produce of Land.*

The land-taxes, which have been hitherto under consideration, though very different in their nature, and proceeding on very different principles, yet agree in one important particular, that they are understood to bear a certain fixed proportion, either to what *now is*, or to what *was* at some former period, the actual rent of the land. On the latter supposition, they are liable to *no* variation, but continue for ever to be levied according to an established rule. On the former supposition, variations in the tax must necessarily arise from the changes which may take place from time to time in the cultivation of the country; but as these variations are confined to the periods when the leases are renewed, the occasions of irritation will occur but seldom, and will not present a source of constant or of habitual grievance to the body of the people.

I now proceed to make a few remarks on land-taxes of a different description,—taxes which are not understood to bear any fixed proportion to the rent, but which *vary from year to year according to the accidental produce*. The *Church Tithe*, as it is levied in England and in the other parts of Europe where the hierarchy exists, affords an example of this mode of taxation.

It is perfectly evident with respect to all taxes upon the fruits of the earth, that, although they may be paid, in the first instance, by the farmer, they are finally paid by the landlord; the farmer always computing the average value of all the taxes before he agrees with the landlord for the rent. They are, therefore, in fact, *taxes upon rent*, but falling upon it (as will immediately appear) in a very irregular and arbitrary manner.

As the qualities of lands are, in all countries, extremely different in different situations, it follows manifestly, that the produce alone can never furnish a standard for estimating equitably the rent which the cultivator is able to pay,—inasmuch as the produce bears no determinate proportion to the expense of raising it. Some lands are proper for bearing rich crops of grain; others are comparatively sterile; some produce pasture, others forest; the revenue of some consists in wine, in mines, and in various other productions, which cost, some more, some less expense, to cultivate. One field of corn cannot pay the proprietor above one-fourth of the grain it produces; another cannot pay above one-fifth; a third may pay with ease one-third; the fields about Padua (according to Sir James Steuart)* pay one-half; grass fields pay still more; and rich hay fields will pay in some places two-thirds, and even three-fourths. How, then, is it possible there should be any equality in a tax which carries off, indiscriminately, a certain portion of the fruits? Yet such is the operation of the *tithe*, which takes, without distinction, a tenth of the produce, in which is comprehended the tithe of all the industry and expense bestowed in bringing it forward.

The *tithe* is also a great discouragement both to the improvements of the landlord, and to the cultivation of the farmer; neither of whom can be supposed to possess that spirit of enterprise which would naturally be inspired by the prospect of enjoying, undiminished, the ameliorations resulting from their advances and their industry. The idea of sharing these profits with the Church which advances nothing, contributes to render this tax more peculiarly vexatious.

In stating these general principles, I would by no means be understood to join in the illiberal abuse which has been so often bestowed on the clergy, all over Europe, for their supposed rapacity, in exacting what the laws of their respective countries have destined for the support of the ecclesiastical establishment. To an unfortunate class, in particular, of this order, (I mean the late clergy of France,) it is but justice to acknowledge the

* [*Political Œconomy*, Book V. chap. xi.; *Works*, Vol. IV., p. 285, *seq.*]

moderation and liberality they, in general, displayed in collecting their revenues. "Though the ecclesiastical tenth," says Arthur Young, "was levied in France more severely than usual in Italy, yet was it never exacted with such greediness as is at present the disgrace of England. When taken in kind, no such thing was known, in any part of France where I made inquiries, as a tenth; it was always a twelfth, or a thirteenth, or even a twentieth of the produce. And in no part of the kingdom did a new article of culture pay anything: thus, turnips, cabbages, clover, chicorée, potatoes, &c. &c., paid nothing. In many parts meadows were exempted; silk-worms everywhere. Olives in some places paid; in more they did not. On cows and on wool nothing was levied. On lambs, from the twelfth to the twenty-first. Such mildness," he adds, "in the levy of the odious tax, is absolutely unknown in England."[1] Even in this last country, however, the charge against the clergy has been carried much too far. A very candid and well-informed writer (Mr. Baron Maseres) assures us, that "lay impropriators are generally much more inclined to exact high rents for the tithes that are due to them, than the parochial clergy, notwithstamding the obloquy too often thrown upon the latter, on account of the avaricious conduct of a very small number of them. The person," continues the same author, "who, a year or two ago, insisted upon receiving his full tithe from a piece of ground near Farnham in Surrey, that had been converted into a hop-ground, at great expense, (in consequence of which a Bill was brought into the House of Commons, but not carried,) was not a clergyman, but a lay-impropriator, and a very rich man, who had made a large fortune in the East Indies."[2]

In reprobating the *tithe*, therefore, as a pernicious mode of taxation, I rest nothing on the defects which some have ascribed to the ecclesiastical character, but entirely on those consequences which are inseparable from such a burden, by whatever description of persons we may suppose it to be levied.

[1] *Travels in France*, p. 537.

[2] See a Pamphlet, entitled *The Moderate Reformer, by a Friend to the Church of England*, (White, 1794.)

It is remarkable, that notwithstanding these consequences of which Europe has so long had experience, and which are too obvious to require particular illustration, advocates have been found for this very plan of taxing the produce of land, as the most expedient system according to which land-taxes can be imposed. A proposal of this sort was made to the French Government in 1699, by the celebrated *Maréchal de Vauban*, who wished to abolish the *Taille*, (as it was paid under the old establishment,) together with the *capitation*, *industrie*, and all the other taxes committed to the management of the intendants; and to establish, in their stead, what he called a royal tenth, (*dîme royale;*) meaning by this term, a proportion of all the fruits of the earth, similar to what is established in favour of the clergy. This he proposed to lay on, according to the exigencies of the State, from one-twentieth part to one-tenth, upon every article of the gross produce of the land over all France. The circumstances which suggested this project, (the greater part of which arose from the peculiar system of taxation in his own country,) and also the insurmountable obstacles to its execution, are fully stated by Sir James Steuart.*

In many parts of Asia, the state is principally supported by a land-tax proportioned to the produce. In China, it consists in a *tenth part*, but this tenth is so very moderately estimated in many provinces, as not to exceed a *thirtieth*. The land-tax which used to be paid to the Mahometan Government of Bengal, before that country fell into the hands of the English East-India Company, is said to have amounted to about a fifth part of the produce; and the same proportion is mentioned in the accounts given of the land-tax in Ancient Egypt.

In consequence of this system of taxation, it is pretended, that in Asia, the Sovereign is interested in the improvement and cultivation of land, and it is not impossible that it may have this effect in some degree, by leading him to extend the market as far as he can, by means of roads and navigable canals. But the tithe of the Church is divided into such small

* [*Political Œconomy*, Book V. chap. xi.; *Works*, Vol. IV. pp. 283-298.]

portions, that no one of the proprietors can have any interest analogous to this, and therefore its necessary inconveniences are not redeemed by any such indirect advantage.

Taxes upon the produce of land may be levied either *in kind*, or, according to a certain valuation, *in money*. The former mode may be advantageous to the parson of a parish who can oversee, with his own eyes, the collection of what is due to him; but would be necessarily attended with loss to a Sovereign, from the depredations of his tax-gatherers.

A tax upon the produce of land which is levied in money, may be levied according to a valuation which varies with the market price; or, according to some fixed valuation, (a bushel of wheat, for example, being always valued at one and the same money price, whatever the state of the market may be.) The produce of a tax levied in the former way, will vary only according to the variations of the real produce of the land. That levied in the latter way, will vary, not only according to the variations in the produce, but according to the value of the precious metals, and the standard of the coin.

When a certain sum of money is to be paid in full compensation for all tax on produce, the tax becomes, like the land-tax of England. Such is the *modus* taken in lieu of tithes in many parishes; and which, as it neither rises nor falls with the rent of land, has no tendency either to encourage or discourage improvement.[1]

[SECT. III.]—TAXES UPON THE RENT OF HOUSES.

Another species of rent yet remains to be considered as an object of taxation; I mean *the rent of houses*. This differs from a *land-rent* in one essential circumstance: that the former is drawn from an *unproductive*, the latter from a *productive* subject; and, of consequence, the rent which is paid for the use of a house, must be derived from some other source of

[1] See what Smith says of the *tithes* in Bengal,—[*Wealth of Nations*, Book V. chap. i.; Vol. II. p. 279, tenth edition,] —and Francis's observation quoted in Boyd's *Justice of Peace*.

revenue. In so far, therefore, as a tax upon house-rent falls on the inhabitants, it is one of those taxes which must fall indiscriminately upon all the three sources of revenue formerly mentioned, and is properly to be classed with the *taxes imposed on consumable commodities.*

In treating of *these*, it will appear afterwards, that the general principle which has served to recommend them to modern statesmen is, that they afford the most practicable mode of taxing revenue, which it is scarcely possible to tax proportionably by any *direct* imposition. The revenue, it is supposed, will in most cases be nearly in proportion to the expense; and the expense is measured by the consumable commodities on which it is laid out. This general principle applies with peculiar force to the subject now under consideration, as there is scarcely any one article of consumption which may be assumed with so great confidence, as a *scale* for estimating the whole expenditure of an individual. A proportional tax on it might (in Mr. Smith's opinion) produce a more considerable revenue than has been hitherto drawn from it in any part of Europe.*

Ground-rents (although they have hitherto not been subjected in any country of Europe to a separate tax) are a still more proper object of taxation than the rent of houses. Such a tax would fall altogether upon the owner of the ground-rent, (who may always be presumed to be actuated by the spirit of monopoly,) and would have no effect to raise the rent of houses, the inhabitants of which, even although they should advance the tax in the first instance, would indemnify themselves by the fall in the ground-rents which the tax would necessarily occasion.

Another consideration strongly recommends this species of revenue as a fit object of taxation, that it is enjoyed without any attention exerted on the part of the owner, and depends almost entirely on local causes connected with the general administration of the country. In this respect, it is distinguished from the ordinary rent of land, which depends, *partly* at least, on the good or bad management of the landlord.

* [*Wealth of Nations*, Book V. chap. ii.; Vol. III. p. 285, tenth edition.]

[SECT. IV.]—TAXES UPON PROFIT, OR UPON THE REVENUE ARISING FROM STOCK.

[SUBSECT. I.—*Taxes upon Profit in General.*]

The revenue arising from Stock divides itself into *two* parts; (1.) that which pays interest to the owner of the stock; and, (2.) that which is over and above what is necessary for paying the interest.

Of these two parts of *Profit* the latter is evidently a subject not taxable directly. It is a compensation for the risk and trouble of employing the stock, and which, if the employer did not receive, he would discontinue the employment. If he was taxed directly in proportion to the whole profit, he must either raise the rate of profit, or pay less interest. In the former case, the tax would be finally paid by the landlord or by the consumer, according as the Stock was employed in farming or in mercantile speculations. In the latter case, the tax would fall on the interest of money.

At first view, the interest of money would seem to be a subject as fit for direct taxation as the rent of land; but two circumstances create a wide distinction between them:—(1.) The quantity and value of the land which any man possesses can never be a secret, whereas the whole amount of his capital can scarce ever be exactly ascertained, and, if it could, would be found liable to continual variations.—(2.) Land is a subject which cannot be removed, whereas Stock easily may. A tax, therefore, which tended to drive away stock from any country, would tend to dry up every source of revenue. The profits of stock, the rent of land, and the wages of labour would be diminished by the removal. Hence, the loose manner in which stock is estimated by those nations, who have attempted to tax the revenue arising from it. In England, for example, if the greater part of the *lands* are not rated to the land-tax at half their actual value, the greater part of the stock is scarce rated at the fiftieth part of its actual value. Nor, indeed, is it possible that such a tax can be levied according to any estimate ap-

proaching to the truth, without so severe an inquisition into the circumstances of individuals, as would be inconsistent with the manner and spirit of a mercantile country.

[SUBSECT. II.]—*Taxes upon the Profit of Particular Employments.*

The taxes on *Profit*, which we have been now considering, are supposed to be levied on it merely *as arising from Stock*, without any regard to the manner in which it is employed; besides these, however, it has been the policy of some countries to impose extraordinary taxes on the profits which particular employments of stock produce; sometimes on the profits derived from particular branches of trade, and sometimes on those arising from agriculture. Of the former kind are, in England, the tax upon hawkers and pedlars, that upon hackney-coaches and chairs, and that which the keepers of ale-houses pay for a license to retail ale and spirituous liquors.

A tax upon the profits of stock must always fall finally upon the consumers, and if it is proportioned to the trade of the dealer, occasions no oppression to him. When it is not so proportioned, but is the same upon all dealers, though, in this case, too, it is finally paid by the consumer, yet it favours the great, and occasions some oppression to the small dealer.

The tax known under the old French Government by the title of the *Personal Taille*, affords the most remarkable instance that has occurred in modern Europe, of a tax upon the profits of stock employed in agriculture.

During the disorderly period when the Feudal Government subsisted in vigour, the great weight of taxation fell on those whose weakness left them at the mercy of the sovereign. Hence the taxes which, in some countries, were confined to lands held in property by an ignoble tenure, and which, in others, were laid on the supposed profits of all those who farmed lands belonging to other people, whatever might be the tenure by which the proprietors held them. In the former case, the *taille* was said to be *real*, in the latter to be *personal*.

Examples of both were to be found under the monarchy of France, and they are both liable to strong objections, although, of the two, the latter is by far the most unjust and oppressive.

When a tax is imposed on the profits of stock in a particular branch of trade, the traders are careful that the tax should fall on the consumer. But when a tax is imposed on the profits of stock employed in agriculture, it must fall finally upon the landlord. The more the farmer is obliged to pay in the way of tax, the less he can afford to pay in the way of rent. Although, therefore, a tax of this kind, imposed during the currency of a lease, may distress or even ruin the farmer, it must always fall upon the landlord when the lease is renewed.

In countries where the personal *taille* takes place, the farmer is commonly assessed in proportion to the stock which he appears to employ in cultivation. He therefore cultivates with the most wretched instruments of husbandry that he can,—a mistaken policy, no doubt, on his part, in many instances, but resulting naturally from the circumstances in which he is placed. The consequence is, that cultivation is discouraged, to the prejudice, more or less, of the husbandman himself, of the landlord, and of the public.

For an examination of the other classes of taxes formerly mentioned, I must content myself with referring to Mr. Smith.* In the prosecution of the subject, my plan was to state the results of the speculations of those writers whose opinions have had, of late years, the greatest practical influence on the financial operations of this country. But this is a subject far too extensive for me to undertake at present.

[SECT. V.—CONCLUSION.]

In the course of the foregoing review of different taxes, I have stated the most important results of the speculations of those writers whose opinions have had, of late years, the greatest practical influence on the financial operations of this country. From what has been said, it would appear that taxes on con-

* [*Wealth of Nations*, Book V. chap. iii.: Vol. III. pp. 311-394, tenth edition.]

sumption are recommended by very peculiar and weighty advantages:—1. Money[1] is thus drawn into the Exchequer out of the pocket of the subject without his perceiving it, the tax being blended with the price of the commodity. 2. Taxes on consumption are, in some measure, voluntary, as a man may choose how far he will use the commodity which is taxed. 3. Every extension of this species of tax has a tendency (at least within certain limits) to create a new ability in the subject to defray it; for when a tax is laid upon goods consumed by the mass of the people, it more frequently happens that the poor increase their industry so as to add to the wealth of the country, and create a fund for defraying the tax, than that they retrench their living to their own and the public detriment, or raise their wages, so as to make the burden fall upon the rich. It has been further urged in favour of this description of taxes, that they have the exclusive merit of rectifying their own excesses,—inasmuch as, when pushed to an extreme, they encourage smuggling, and produce a deficiency in the revenue.[2]

Among the most zealous advocates for taxes on consumption are Necker, the Marquis de Casaux, and Mr. Young. The last two writers go so far as to assert, that they should be substituted instead of the land-taxes of France and of England.[3]

On the other hand, it cannot be denied, that taxes of this nature are liable to strong objections, on account,—1. Of the extreme expense of collecting them;—2. Of the severe restraints on trade as well as liberty, which the collection of them renders necessary;—and 3. On account of their tendency to hurt foreign trade by enhancing the price of commodities. In this country, in particular, where this system has been already carried to a very great extent, it seems now to be generally admitted, that it cannot be trusted to as a means of supplying so large a revenue as is required, when we attempt to raise a war supply without

[1] Lauderdale's *Pamphlet;* Young's *France.*

[2] See some further considerations on the same side of the question in Young's *France*, p. 523.

[3] Young, p. 530.

borrowing. In a country, when a small and moderate revenue is to be collected from a people in a state of increasing prosperity, the objections just now mentioned may be more easily obviated.

In order to levy so immense a sum as the exigencies of Government now require, recourse must be had to taxes affecting directly the fortunes of the contributors. But how such a tax is to be imposed is a different question,—and a question of very difficult solution. The consideration of it, it would be obviously improper for me to introduce in this place. A late writer (and one, too, whose political views are understood to be extremely favourable to the existing Administration of Great Britain) has employed his ingenuity in an attempt to revive the project of a territorial tax on the plan of the French *Economists*. But on *this* idea, which is not very likely to attract much attention in this country, it would be superfluous for me to enlarge at present, more particularly, as I propose to examine afterwards, at some length, the arguments which have been offered both *for* and *against* it.

I shall also pass over, without examination, another project of taxation, which has been lately carried into effect in Great Britain,—I mean the *tax upon income*, as I am always unwilling to touch upon any questions which are conected with the political discussions of the times. The arguments, besides, which have been alleged on both sides, cannot fail to be fresh in the recollection of all my hearers.

Two other projects, which are not so generally known, deserve to be mentioned, on account of the ingenuity and ability with which they have been recommended to the notice of the public. The first (which was published in 1795) is explained in a Pamphlet by Mr. Bentham, entitled *Supply without Burthen, or Escheat vice Taxation*, &c. The other is of a very late date, (having appeared in the course of the present year,) and has for its object to "impose a tax in perpetuity on all property, entailed or unentailed, settled or unsettled, the enjoyment of which passes by succession," [its title being, *Hints towards an Improved System of Taxation*, &c. 1799.]

[BOOK THIRD.]

[OF THE POOR—THEIR MAINTENANCE.]

(*Interpolation from Notes.*)—Having been employed, for some time past, in tracing the sources of national opulence, our attention is naturally directed, in the next place, to that unfortunate class of men, who, in consequence either of the imperfections of our social institutions, or of the evils necessarily connected with the present constitution of humanity, are left dependent on the bounty of their fellow-citizens. The subject is sufficiently interesting in itself, considered in relation merely to the order of men who are its immediate objects; but it will be found, on examination, to be still more interesting when considered in connexion with the general system of Political Economy. In treating of this subject, I shall begin first with a short historical sketch of the origin and progress of the Poor-laws in *both* parts of the island, and shall afterwards proceed to some inquiries and speculations of a more general nature.

[CHAPTER I.]

[HISTORICAL SKETCH OF THE POOR-LAWS.]

[SECT. I.—OF THE ENGLISH POOR-LAWS.]

From the review which I am now to offer, it will appear with what extreme difficulty this branch of legislation is accompanied, and how frequently the best intended, and, apparently, most wisely-concerted schemes have been found to aggravate the evils which they were meant to remedy. Such a review,

while it serves to animate our wishes for the improvement of what is defective or erroneous in the established system, will be no less useful in moderating our confidence in the most plausible plans that may be proposed with that view. For the same reason, I shall not be very forward in suggesting any ideas of my own on this subject. I shall aim rather at giving a useful direction to your future inquiries, contenting myself at present, with remarking, in general, the striking illustration which this subject affords of the danger of multiplying unnecessarily the objects of law, by attempting to secure artificially, by the wisdom of man, those beneficent ends which are sufficiently provided for by the wisdom of nature.

But it is not to those alone who study Political Economy, with a view to the improvement of the theory of legislation, that this is an interesting subject of speculation. Every individual in a private capacity, is daily induced by the impulse of compassion to administer assistance to the indigent, and needs some general principles to guide his benevolence, without which he may be in danger of counteracting the purposes which he wishes to serve. I have no doubt that the want of these prevents many from doing the good, which they would be both willing and able to do, if they had some fixed and acknowledged rule of conduct. Nor is this at all surprising; for there is certainly none of the private offices of duty in which men have been more misled from the general advantage of society, by false and partial views, than in the administration of individual charity. To the justness of this remark, every country of Europe bears witness, in the numberless establishments founded in the dark ages, by the pious charity of individuals. In the present times, however, the charity both of individuals and of the State ought to be regulated by views of general and permanent interest, not by any view of partial or temporary advantage.

I had formerly occasion [*supra*, Vol. I. p. 113] to take notice of the servile condition of the lower orders of men all over Europe, for a long time after the settlement of the barbarous nations in the different Roman provinces; and more particu-

larly, I observed, that during the eighth, ninth, and tenth centuries, slaves seem everywhere to have formed the most numerous rank in the community. While this continued to be the case, that order of men which is called the begging poor, could not have an existence. The obligation to serve another for life, implies a reciprocal obligation on the master to supply his slave with the necessaries of life; and a regard to his own interest will usually secure the fulfilment of this obligation, though in times of general scarcity it is possible that the labouring classes may be exposed to severe hardships. It is hardly necessary for me to remark here, that this consideration does not lead to any conclusion favourable to the institution of slavery, which opposes a great and almost insurmountable barrier to the opulence and population of a country. The number of individuals to whom it secures the bare necessaries of life, bears no proportion to those who, under a more liberal system of policy, would have enjoyed many of its comforts and accommodations. Where all men have the prospect of bettering their condition, we may expect to find some unfortunate adventurers; and although it will always be the object of a wise Legislature to diminish the number of these, yet the existence of indigence and of those other calamities which are its usual concomitants, may be regarded as a decisive proof that the labouring orders have already emancipated themselves from the tyranny of their domestic masters, and that they have entered on that career which is gradually to raise them to a more elevated rank.

This reflection, while it furnishes a satisfactory answer to those arguments in favour of the African slave trade, which are founded on a comparison between the situation of the begging poor in Great Britain, and that of the negroes in our West India colonies, may serve to reconcile us to those partial evils which appear to be the inseparable attendants of national opulence; not that I would willingly grant in its fullest extent the truth of the remark on which these observations proceed.

It does not belong to the present subject to trace the various steps by which the practice of villanage gradually wore out in England. One circumstance, unquestionably, which contri-

buted very powerfully to the rise of the lower orders, was the endeavours of the different sovereigns from Henry II., to counterbalance the overgrown weight of the feudal aristocracy, by encouraging the manumission of bondsmen, and taking the towns under their protection. This policy was pursued with great steadiness by Edward III. during his long and vigorous reign; nor was it abandoned under the feeble administration of his successor, Richard II. It seems, indeed, to have been in the course of this last reign that the most general emancipation of bondsmen took place.

This sudden emancipation of the lower orders, produced the consequences which might have been expected. Restored all at once to their natural rights, without being sufficiently prepared for liberty, they felt an impatience of all legal restraint. Nor was it in the power of any laws, however rigorously executed, to correct these disorders, at a period when the arts and manufactures furnished employment to so very small a proportion of the people. These consequences were felt even during the reign of Edward III., and still more under the weak administration of his successor, in whose time, we find in the records of Parliament, numberless complaints of the vagrants, rogues, and deserters of their service, who were wandering over the country doing mischief, &c. In 1376, the year before Edward's death, the Commons made a great complaint, that masters were obliged to give their servants great wages, in order to prevent them from running away; that many of them who left their service became sturdy beggars, who infested the kingdom, &c.; to remedy which evils, they proposed "That no relief should be given to those who are able to work, within boroughs or in the country; that vagrant beggars, and staff-strikers, should be imprisoned till they consent to return home to work; and that whoever harboured any runaway servant in his service, should be liable to a penalty of £10."* It does not appear that the King assented to this proposal; but, as Sir Frederic Morton Eden observes, it seems to have been the groundwork of a subsequent statute, and shows the early opinion of Parliament

* [Eden's *State of the Poor*, 1797, Book I. chap. i.; Vol. I. p. 42, *seq.*]

on the subject of mendicity. It is in this statute that beggars are first mentioned; and from the language used, they appear chiefly to have lived in towns and burghs, where the principal part of the national wealth was concentrated. Of the progress which these evils rapidly made, some idea may be formed from a statute passed at the commencement of the subsequent reign, (1st Richard II.) By this Act, the excesses of the *villains* were repressed by severe punishments, their farther emancipation checked, and every method employed by the great barons to prevent others from becoming free; insomuch, that in the fifteenth year of Richard II., they endeavoured to obtain a law, that no villain should be allowed to send his son to school; a memorable instance of that short-sighted policy, not without its influence, alas, in our own times, which attempts to preserve the order of society by withholding from the people those means of intellectual improvement which alone lay a sure foundation for good morals, and peaceable subordination to authority.

It was during this reign that the Legislature found itself first called upon, not only to provide for the punishment of vagrants, but also for the relief of the aged and impotent. In earlier times, it may be presumed, that the villain, when unable to work, was maintained by his lord, as the pauper now is by his parish; and as the number then engaged in manufactures was comparatively small, there is great reason to believe that the indigent workmen were supported from the funds of the corporation or society to which they belonged. By the statute 1388, among a variety of other regulations, it is enacted, "That impotent beggars should continue in the cities or villages where they lived at the time of the passing of the Act; and if the inhabitants of those places were neither able nor willing to maintain them, they were to be taken to other towns within the hundred, or to the place of their birth, where they were to continue for life."* From the language of this statute, Sir Frederic Eden argues, "I should infer that the district where impotent beggars were directed to reside, was bound to maintain them; and that the justices of peace, who had a considerable

* [Ibid. p. 44.]

latitude of discretionary power, in some cases regulated both the place of their abode, and the amount of the alms they were to receive."*

These details may appear minute and tedious, but they form a very important part of this historical sketch, as they show that the great outlines of a scheme for the compulsory maintenance of the poor, which is commonly believed to have originated in consequence of the Protestant Reformation, had been conceived as early as the reign of Richard II. The Act, too, was confirmed in the reign of Henry IV.

During the subsequent reigns, various regulations were enacted, by the Legislature, by which the harsh provisions of former statutes against vagrants were somewhat moderated; and at last, in the reign of Henry VIII., they received the sanction of an express statute. The Protestant Reformation, with some other events immediately connected with it, in particular the suppression of the monasteries by Henry VIII., had a powerful influence on the condition of the lower orders in general, and tended greatly to increase the number of the begging poor. Not to mention the multitudes whose subsistence depended on the alms distributed at the gates of the religious houses, and who, in consequence of their suppression, were thrown at once on the bounty of their fellow-citizens, 50,000 monks were compelled to have recourse to the active exertions of industry, and reduced to the same state of dependence and indigence. The first effects, too, of this violent and arbitrary measure on the general industry of the country, must have been far from favourable. Instead of the gentle dominion of the abbots who, with all their vices, seem to have been kind and indulgent landlords, and who, in consequence of the great hospitality which they exercised at home, consumed the greater part of the produce of the land on the spot, the people found themselves exposed to the extortions of new masters, who spent their revenues in the capital, and to the still more intolerable rapacity of their stewards. "Old Henry Jenkins lamented, with reason, that the days were over in which he used to be

* [Ibid. p. 61.]

invited to the Lord Abbot's chamber, to feast on quarters of a yard of roast beef, and wassel in a black jack: he was probably not the only sufferer."* And though it certainly was not desirable that the great luxury of the monks should have been perpetual, yet it cannot be doubted that the violence with which the remedy was applied, must have disordered, for a considerable time, the general police of the country. A prohibition against admitting novices in future, would have been an equally effectual preventive, and would have saved that injustice and cruelty with which the measure was actually carried into execution.

When I mention the Protestant Reformation, and the sudden suppression of the monasteries, as one cause of the increase of the begging poor, I would not be understood to admit with some advocates of the Roman Catholic faith, that during the Popish times beggary was attended with no inconveniences to the community in general, the burden falling exclusively on the religious houses. Abundant evidence of the contrary is afforded by the facts already stated. The following document, however, is so curious, that I shall make no apology for subjoining it as an additional confirmation of the same thing, more especially as it will serve to illustrate the unreasonableness of certain other popular clamours which have been renewed in our own times. It is an extract from Lewis's *History of the several Translations of the Holy Bible*, [1731,] and evinces completely the disorders which existed in England, in consequence of the prevalence of beggary, even when the Popish institutions subsisted in all their vigour. The passage, at the same time, it sufficiently appears, is exaggerated in some of its statements, as well as unfounded in some of its inferences, being the composition of a warm advocate for the Reformed faith, at a period when the minds of men were too much heated to judge, or even to observe, with coolness.

"Before I proceed to give an account of the next edition of the English *Bible*, it may not, perhaps, be wholly unacceptable to the reader, to observe to him an historical passage in the

* [Ibid. Book I. chap. ii.; Vol. 1. p. 97.]

Preface of Coverdale's, to the *Bible* just now spoken of, relating to the increase of the poor here in England; and that the rather, because of the pompous boasts made by the Romanists of *their* charity, and the hard reflections made on *us* by them for the want of it, as if the great number of beggars were owing to the Reformation, and particularly to the dissolution of the religious houses, as the monasteries were falsely called, *at whose gates* a professed Protestant tells us, *all the poor of the nation were supported.* But now Coverdale here appeals to the senses of his reader, and bids him *lift up his eyes and see how great a multitude of poor people runne thorowe every towne:* and this, too, at a time when these religious houses were at the very height of their prosperity. Sir Thomas More speaks of people's going about sick of the French pox and begging with them, though he adds, 'that thirty years ago there were five against one that begged with them now.' In his *Utopia* he proposed, 'That the beggars should, by a law made on purpose, be all placed in the convents of the Benedictines, since it was owing in a great measure to the avarice of these wealthy abbeys, who laid down their arable lands to pasture, that the number of beggars was so much increased.'"*

That I may not lose myself in a field of such immense extent as this, I shall pass over the various attempts of the Legislature to secure a maintenance to the impotent, and employment to the idle part of the community, during the reigns of Edward VI. and of Philip and Mary, and shall proceed at once to the Act for the relief of the poor, passed in the year 1601, in the forty-third year of Queen Elizabeth's reign; which, having concentrated all the former laws relative to this subject, has remained the foundation-stone of our present establishment.

The most important provisions of this Act were copied *verbatim* from an Act passed a few years before, by which four overseers were directed in each parish, to take measures for setting poor children and persons, in want of employment,

* [Chap. ii. pp. 100-102, third edition.]

to work, and for raising a stock of materials for that purpose, &c.

As the distresses of the poor, in consequence of the scarcities which prevailed towards the conclusion of the last and beginning of the present century, have engaged a more than ordinary degree of attention in our times, particularly among speculative men, it may not be altogether useless for me to remark here the extreme danger of being hurried, by the pressure of accidental or temporary evils, into measures which may entail permanent and incorrigible mischiefs on the community. The consequences of the Act 1601 in England, during the last two centuries, have been long and deeply deplored; and they are now so interwoven with the general system of English prosperity, that it is hardly possible to conceive how they can be effectually remedied. And yet there are, I think, strong reasons for believing that this fatal Act arose entirely from the severe hardships under which the poor had laboured for some years previous to its date. An uninterrupted course of scanty seasons and unfavourable crops closed the sixteenth, as it has since done the seventeenth and eighteenth centuries; and an examination of the state of the country at the end of the first of these periods, may not be uninstructive to many persons even in the present times.

"In 1587, wheat rose to £3, 4s. the quarter; in 1594, it was £2, 16s.; and in 1595, £2, 13s. the quarter.—Blomefield, in his *History of Norfolk*, informs us, that the scarcity of Norwich in the year 1595, was so great, that the magistrates were obliged to send for a large quantity of rye from Denmark; but the winds hindering its coming, the project was of no service till late in the year. When it arrived, it was sold to the poor at the reduced price of 4s. the bushel. This charitable act cost the corporation above £200. I subjoin Blomefield's account of the prices of several other articles of diet at Norwich this year, as it corroborates the assertions of other historians respecting the dearth of this period: wheat was £2 the quarter; rye, £1, 10s.; barley, £1; oatmeal, £2; beef, 3s. the stone; the best sheep, 14s. a piece; a lamb, 5s.;

a calf, £1; a fat capon, 3s. 4d.; a pigeon, 3d.; a rabbit, 8d.; and cheese, 4d. the pound. Blomefield adds, that in the beginning of 1596 prices fell; 'but by reason of a wet May, they rose again to such large prices that it was a very hard year with the poor, and so continued to the next harvest, when, by God's mercy, things fell, on account of their plenty, to their usual prices.'"*

In 1601, when the Act in question was passed, the crop was plentiful, and the seasons continuing favourable for a series of years, the situation of the poor became comparatively easy, and the Legislature exulted in the happy consequences of its own foresight. It appears, however, from D'Ewes's *Journal* that there were a few members who had the sagacity to perceive, that the only permanent foundation for plenty was to be laid in a prosperous agriculture. In the debate on the propriety of continuing the Statute of tillage, a Mr. Johnson made a speech, the substance of which is thus reported by D'Ewes: —"In the time of dearth, when we made this Statute, it was not considered that the hand of God was upon us; and now corn is cheap; if too cheap, the husbandman is undone, whom we must provide for, for he is the staple man of the kingdom."† Another speaker who rose above the prejudices of his age, was Sir Walter Raleigh, who, in the course of the same debate, recommended as the most effectual plan for securing the permanent prosperity of the nation, to set tillage at liberty.

With respect to the comparative number of the receivers and payers of parochial contributions, immediately after the establishment of the poor's-rates, it is impossible for us, at this distance of time, to form any accurate estimate. But it seems highly probable, as Sir Frederic Eden observes,‡ that the number of poor receiving or wanting parish relief, at the close of the sixteenth and beginning of the seventeenth century, bore a less proportion to the other classes of the nation than the number of those in similar circumstances does at present.

* [Eden's *State of the Poor*, Book I. chap. ii. Vol. I. p. 134.]

† [*Journal*, p. 674.]

‡ [*State of the Poor*, Book I. chap. ii. Vol. I. p. 133.]

About the year 1590, the city of London is said to have contained 160,000 inhabitants. In the year 1595, a year of great scarcity, a survey was made, by direction of the Lord Mayor, of the number of poor householders, who were found to amount to 4132. But it is not mentioned whether the individuals in each family were included in this enumeration, or what class of persons was understood to fall under the denomination of householders. Making, however, a very full allowance for these omissions, we shall be justified in supposing, that the increase of the inhabitants of the metropolis has by no means kept pace with the increase of the poor. The legal assessments and voluntary contributions now raised in London for relief of the poor, together with the expense of the many beneficent establishments and public charities which it contains, are estimated by Mr. Colquhoun, who published in the year 1797, at £850,000 *per annum*.* And the same author asserts, in another part of his work, "that upwards of 20,000 individuals rise every morning in London, without knowing how, or by what means, they are to be supported during the day, or where, in many instances, they are to lodge on the succeeding night."†

If we examine the condition of many of our country towns, even of those which are considered as the most advanced in opulence and industry, we shall find the proportion of the poor far exceeding anything noticed in the reign of Queen Elizabeth.

Of the amount of the rate annually levied during her reign, and during that of her successor, James I., history is silent. But we know that after the passing of this Act, the situation of the poor is represented as extremely deplorable. The assessments are said to have been so low, that many perished for want. During the reign of Charles I., the Legislature were too much occupied in discussing questions of a political and constitutional nature, to attend to the internal police of the country: accordingly, little information is known with regard to the state of the poor, till the accession of Charles II. "Of

* [*Treatise on the Police of the Metropolis*, Chap. xiii. p. 358, seventh edition.]

† [Ibid. Chap. xi. p. 313, seventh edition.]

the thriving condition of England during the short period of the Commonwealth," says Sir Frederic Morton Eden, "we have the concurrent testimony of several contemporary authors. The great increase of trade, high price of wool, and advance of rents about the year 1652, are indubitable proofs that industry and its attendant comforts had not deserted the land."*

In the year 1662, the important Statute which is the foundation of the present law of settlements, was enacted not only for the purpose of determining who were to be considered as the poor of each parish, but to prevent labourers in general, even before they became actually chargeable from wandering from the usual place of their abode, lest particular parishes, which, from their situation, held out inviting prospects to the industrious, should, in the end, be overburdened with their poor. Previous to the passing of this Act, the poor were at liberty to seek employment wherever it could be had; and none were obliged to reside in the place of their settlement, this place of settlement being fixed by an abode for three years. But by the 13th and 14th of Charles II., it was enacted, that the residence in a parish necessary in order to receive a settlement should be reduced to forty days; and that within that time it should be lawful for any two justices of the peace, upon complaint made by the church-wardens and overseers of the poor, to remove any new comer to the parish where he was last legally settled, either as a native, householder, sojourner, apprentice, or servant, for the space of forty days at the least."†

I have mentioned this Act thus particularly, because, according to Sir Frederic Eden, the single clause now quoted from this short Act, has occasioned more doubts and difficulty in Westminster Hall, and he adds, has been more profitable to the lawyers, than any other part of English jurisprudence.‡ It has been justly remarked of it, that it is deficient with regard to the subjects of foreign nations. Scotch and Irish labourers, for instance, if they do not fall under the class of vagrants, could not be removed under its provisions, because they never

* [*State of the Poor*, Book I. chap. ii.; Vol. I. p. 171.]
† [Ibid. p. 175.] ‡ [Ibid. p. 176.]

could become chargeable. However, as they might and still may continue undisturbed, without the entanglement of a certificate; and if they cannot secure a claim for themselves, as they yet can establish one for their children, servants, and apprentices, they were, in this respect, placed in a better situation than the natives.—This glaring defect in the Act, rendering strangers the only persons capable of residing in any part of England which they chose, has at length happily been corrected; and English labourers are now, by the 35th George III., authorized to remain in any place till they become actually chargeable. Some inconveniences are stated as consequences of this Statute, equitable and liberal as it appears, in a *Pamphlet* by Mr. Bates Dudley, published in the year 1802.*

The obstruction which this law of settlement opposes to the free circulation of common labour, has been justly called by Mr. Smith, "the greatest of all the disorders in the police of England." Of the rise, progress, and state of the evil at the time when he wrote, a succinct account will be found in his *Wealth of Nations.*†

According to Mr. Smith, the very unequal price of labour which we frequently find in England in places at no great distance from one another, is probably owing to the obstruction which the law of settlements gives to a poor man, who would carry his industry from one parish to another without a certificate."‡ And to the same purpose, Lord Kames, in his *Sketches of the History of Man,* observes, that while in Scotland the price of labour is generally the same in the different shires and parishes, "it varies in every parish of England. A labourer who has gained a settlement in a parish, on which he depends for bread when he inclines to be idle, dares not remove to another parish where wages are higher, fearing to be out of a settlement altogether."§ The assertions of these two very respectable writers concerning the uniformity in the rate of

* [*Observations on the Present State and Defects of the Poor-Laws.*]

† [Book I. chap. x.; Vol. I. pp. 212-222, tenth edition.]

‡ [Ibid. p. 218.]

§ [Book II. Sketch x.; Vol. II. p. 40, edit. 1774.]

wages over Scotland, compared with the state of England in the same respect, are controverted by Mr. Howlett, in his *Examination of Mr. Pitt's Speech on the Poor-laws*, [1796;] and Sir Frederic Eden has given it as his opinion, that Mr. Howlett's censures are justified by an appeal to facts. "I am persuaded," says Mr. Howlett, "that had the Doctor lived to have read Sir John Sinclair's *Statistical Account of Scotland*, he would perhaps have been inclined to some slight alteration of sentiment. He would have discovered that the price of labour is as various in the northern part of Great Britain as in the southern, and the slightest view of our towns of Leeds, Liverpool, and innumerable others, might have convinced him that *the circulation of labour is as free, and the scarcity of hands in one place as amply supplied by their superabundance in another*, on the south side of the Tweed as on the north."* And to the same purpose, Sir Frederic Eden asserts, in terms still stronger, that "neither of these writers seems to be warranted by fact in their supposition, that the price of labour, in their own country, is far more equal than it is in England; and that the inequality here is principally occasioned by the obstruction which the law of settlements gives to a poor man, who would carry his industry from one parish to another without a certificate."†

I cannot help thinking, that both of these gentlemen have gone too far in their censure on our Scottish politicians. Without entering into any particular discussion of facts, we have decisive evidence, I think, against these conclusions. It seems to be one of the most incontrovertible positions which can be imagined, that the law of settlements, though not the only cause of the inequality which prevails in England, must increase that inequality; and that when it is once established, it must oppose an almost insurmountable barrier to the operation of those natural causes which tend gradually to bring down the rate of wages to a level. On the other hand, it is most undoubtedly true, that in Scotland the uniformity of wages is not so complete as we might expect from a theoretical view of the

* [*Examination of Mr. Pitt's Speech*, &c., Sect. I. pp. 15, 16.]

† [*State of the Poor*, Book I. chap. ii.; Vol. I. p. 181.]

subject; and it must, perhaps, be granted, that the language employed by Lord Kames is too general and unqualified. But this only amounts to a proof of what Mr. Smith says in another part of his work, that "after all that has been said of the levity and inconstancy of human nature, it appears evidently from experience, that a man is, of all sorts of luggage, the most difficult to be transported. If the labouring poor, therefore, can maintain their families in those parts of the kingdom where the price of labour is lowest, they must be in affluence where it is highest."* At the time when Mr. Smith wrote, tenpence was the current price of a day's labour in Edinburgh and its neighbourhood, and at a few miles distance eightpence, which he considers as the common price of labour in the greater part of the low country of Scotland, where it varies a good deal less than in England. "Such a difference of prices, which it seems is not always sufficient to transport a man from one parish to another, would necessarily occasion so great a transportation of the most bulky commodities, not only from one parish to another, but from one end of the kingdom, almost from one end of the world to the other, as would soon reduce them more nearly to a level."† But the influence of these local attachments is common to both parts of the island, and cannot possibly produce so great an effect when it operates alone, as when other causes concur of a still more uncontrollable and universal efficacy.

I shall only add farther on this subject at present, that the inequalities in the wages of agricultural labourers are increased, in both parts of the island, by a circumstance which I had occasion to illustrate in a former part of the course.‡ I mean the slow circulation of agricultural knowledge, arising from the peculiarly obstinate prejudices of this order of men, in consequence of which, striking inequalities in the state of improvement may be remarked by the most careless observer, even in contiguous districts. Hence corresponding inequalities in the

* [*Wealth of Nations*, Book I. chap. viii.; Vol. I. p. 113, tenth edition.]

† [Ibid.]

‡ [*Supra, Political Economy*, Vol. I.; (*Works*, Vol. VIII.) p. 181.]

skill and industry of agricultural labourers in the same neighbourhood, and an effectual check to the operation of those causes which seem to promise, in theory, a speedy reduction of wages to one general level.

Whatever opinion, however, may be entertained on this subject, every person must assent to the strong terms in which Mr. Smith has reprobated the law now under consideration. "To remove a man, who has committed no misdemeanour, from the parish where he chooses to reside, is an evident violation of natural liberty and justice. . . . There is scarce a poor man in England of forty years of age, I will venture to say, who has not, in some part of his life, felt himself most cruelly oppressed by this ill-contrived law of settlements."* I find, indeed, that this fact is controverted by Mr. Howlett, who contends, in his *Examination of Mr. Pitt's Speech*, that the law of settlements has no effect in this way at all. But in this particular, Mr. Smith's statement is supported by the testimony of so many respectable writers, that it is impossible to call its accuracy in question. Sir William Young, who is extremely well informed on such subjects, asserts positively, that the prosecutions occurring on this law are frequent.†

Some of these remarks may appear, at first view, to be foreign to the subject which introduced them. As, however, the political disorder to which they relate has been the necessary consequence of the compulsory maintenance of the poor, and can only be effectually removed by an alteration of that principle, they will not, I hope, be considered as forming a useless or improper digression.

In the period immediately subsequent to this regulation, few alterations were made on the existing laws with regard to the poor. The war which engaged the attention of the nation during the first eight years of King William's reign, the formidable preparations made by France to invade England, and the actual invasion of Ireland, together with the encouragement given to both by the dark and dangerous intrigues of a

* [*Wealth of Nations*, Book I. chap. x.; Vol. I. pp. 219, 220, tenth edition.]

† [See Eden's *State of the Poor*, Book I. chap. iii.; Vol. I. p. 397.]

powerful body of domestic malcontents, were very unfavourable to the removal of those abuses which had been accumulated by the neglect and misfortunes of half a century. About this time, indeed, some speculative men distinguished themselves by their attempts to draw the attention of the public to this important subject, among others, the celebrated Mr. Locke, who was then one of the Commissioners of the Board of Trade. A reference had been made to the Board of Trade in the year 1696, to consider of the proper methods to be adopted for employing the poor; and it was in consequence of this reference that he drew up his *Report* [1697,] respecting their relief and maintenance, which was shortly after delivered to the King. The observations of this eminent philosopher and politician respecting the effects of the Poor-laws, deserve attention from all who wish to examine with accuracy the progress of English legislation in this department, more particularly as many of his suggestions appear to have formed the basis of a plan which, a few years ago, was under discussion, for amending the regulations of our parochial assessments. It is probable that a law framed upon his plan would have taken immediate effect, as the state of the poor had been recommended to the consideration of Parliament in the King's Speech, the very year after the delivery of the Report, had not the public mind been too much agitated by the altercations which, about that time, took place between King William and his Parliament, and which increased in violence during the latter part of his reign.

In the reign of Queen Anne, few Acts were passed relative to the poor. But some important and original ideas were started on the subject by Daniel Defoe, in his excellent address to Parliament, entitled, *Giving Alms no Charity*, (1705.)

The reign of King George I. is equally barren of materials for our purpose. One Act, however, was passed during that reign, which deserves to be mentioned; 9th Geo. I. Among other improvements of the existing laws, this Act provides that the church-wardens and overseers of the poor of any parish, with the consent of the majority of the parishioners, publicly given, may purchase or hire any house or houses in

the parish or place, and contract for the lodging, employing, and keeping of poor persons. Soon after the passing of this Act, many parishes availed themselves of the powers conferred by it; and in a publication which appeared in the year 1725,* it is said that this method of maintaining the poor met with approbation and success throughout the kingdom. The same work was republished in 1732, with considerable additions, and in its enlarged state affords much curious information respecting workhouses. In consequence of the indefatigable zeal of the planners of this institution, the poor-rates are understood to have been considerably reduced in many instances. But from comparing the present state of those parishes in which workhouses were established with their condition seventy years ago, it would seem that the expectations of the nation, that great effects would have followed from the institution, have not been realized. From the view given in Sir Frederic Eden's *Treatise*, of the state of those parishes which had erected workhouses, it appears that the poor had advanced very rapidly notwithstanding the aid of workhouses, perhaps as rapidly as in other parishes where they were supported by occasional assessments.†

The way in which these workhouses, as at first established, effected a reduction in the poor-rates, was by deterring the poor from making application for relief, by the terror of being sent to a workhouse. Accordingly, Mr. Townshend, in his excellent *Dissertation on the Poor-laws*, [1787,] says, that "the terror of being sent to a workhouse acts like an abolition of the poor's-tax on all who dread the loss of liberty. It is in effect a virtual repeal, as far as it extends, of those laws which should long since have given place to better regulations. But, unfortunately, the most worthy objects suffer most by this repeal, and the advantage to the public is little more than negative. The quiet and the cleanly dread the noise and nastiness, even more than the confinement of a workhouse. They pant for the pure and wholesome air, which they can never hope to breathe where numbers

* [*An Account of several Workhouses*, &c.]

† [*State of the Poor*, Book I. chap. iii.; Vol. I. p. 270.]

are confined within narrow limits, and sigh for that serenity and peace which they must despair to find where the most profligate of the human species are met together. By the fear of being sentenced to such society, many who deserve a better fate struggle with poverty till they sink under the burthen of their misery."*

During the reign of George II. various attempts were made, both in and out of Parliament, to procure a radical alteration in the system of parochial administration, established by the 43d of Elizabeth. About the year 1753, in particular, this subject seems to have excited a very general attention, which, however, produced no material alteration on that branch of legislation to which it related. It is a curious circumstance, that in the very same year, the same branch of police was under discussion among the French politicians; and most of these warmly recommended to their countrymen the English system of parochial assessments, at the very time when long experience of the inconveniences attending that system was producing a multitude of English pamphlets in praise of the French hospitals.

Under the reign of our present Sovereign very few alterations have taken place, except with respect to *removal;* the vexatious consequences of which will, in some measure, it is to be hoped, be remedied by the Act of 1795, for preventing the removal of persons who are not actually chargeable. Several local acts, however, have been passed of great importance to the places to which they relate; and, indeed, there are some of these which may, without impropriety, be considered as general, rather than as local, regulations. Those, for instance, which relate to the improvement and correction of the Poor-laws within the city of London, may very properly be viewed in this light, as that is a district which contains a population equal to one-tenth of the whole inhabitants of the kingdom.

The historical deduction now given, for the details of which I must acknowledge myself to be much indebted to the labours of Sir Frederic Eden, is sufficient, without any commentary, to

* [Sect. xiii. p. 80, *seq.*, edit. 1817.]

convey an idea of the imperfections of English legislation in this important article of Political Economy; and the rapid progress which the evil is daily making, seems to require the application of some immediate remedy.

Towards the close of the seventeenth century, the amount of the rates exceeded £840,000 a year. This, at least, is the calculation of a writer, who, in 1673, published a work under the title of *The Grand Concern of England explained*, and which, I believe, is the earliest publication in which any attempt is made to compute the extent of this burden. "This," he adds, "is employed only to maintain idle persons; doth great hurt rather than good; makes a world of poor more than otherwise there would be; prevents industry and laboriousness, men and women growing so idle and proud that they will not work, that lie upon the parish wherein they dwell for maintenance, applying themselves to nothing but begging or pilfering, and breeding up their children accordingly; never putting them upon anything that may render them useful in their generations, or beneficial either to themselves or the kingdom."* In 1783, 1784, and 1785, the money raised by assessments in England and Wales amounted, taking a medium of these years, to £2,167,749, sterling, according to the *Report* of the Committee of the House of Commons, founded on returns made by the overseers for the poor, in obedience to an Act passed in the year 1786. Sir Frederic Eden, whose work was published in the year 1797, states their amount at this time to be £3,000,000, sterling,† and adds, "that they had doubled their amount in the course of the twenty years preceding."‡ From the very accurate returns laid before Parliament, it appears, that exclusively of all collateral expenses, (for the militia, &c.,) raised at the same time with the assessments for relief of the poor, there had been raised, in the year ending Easter 1803, for the maintenance and relief of the poor, £4,257,000, being almost double the sum raised for the same purpose on an average of the years 1783, 1784, and 1785, and very nearly

* [Quoted in Eden's *State of the Poor*, Book I. chap. ii.; Vol. I. p. 188.]

† [Ibid. Book I. chap. ii.; Vol. I. p. 131.]

‡ [Ibid. Pref. p. xxv.]

triple the sum raised in the year 1776. From the same returns it appears, that on the population of England and Wales, exclusive of the army and navy, amounting to 8,070,000 souls, not less than 1,234,080 are partakers of parochial relief; that is, nearly one-seventh of the whole population are indebted to the rest, in whole or in part, for their support, and by far the larger part of these are wholly subsisted without any exertion of their own. The amount of this rate, too, great as it is, gives but an inadequate idea of the extent of this branch of expenditure in England. In an account published at Edinburgh of the management of the poor in Hamburgh, the author, Mr. Voght, who had access to the best information during his tour through England, states the sum expended on workhouses at upwards of £1,000,000, sterling, on a low estimate. And if we take into account the vast sums distributed annually in voluntary charity, the whole sum of British charities cannot well be estimated lower than at £5,000,000 a year. According to a very well-informed and accurate writer, Lord Sheffield, the sum expended on the relief of the poor is equal to one-half of the rental of England at this time.

This increase of the poor's-rates is the more astonishing, when we reflect on the progress which has been made within the last few years by Benefit Clubs or Friendly Societies, one of the happiest institutions, undoubtedly, ever introduced into this country. We are assured by Sir Frederic Eden, after all his extensive inquiries on this subject, "that he has not found any parish burdened with the maintenance of any one member of a friendly society, nor the instances numerous of the families of members becoming burdensome."* The economy of which this institution has been productive to the nation, is incalculably great. Abstracting altogether from the various salutary ends to which they are plainly conducive, it is sufficient to remark the industry, frugality, and independent spirit which it is the tendency of friendly societies to extend among the people. But of these different effects of this institution, I shall have occasion to speak more particularly afterwards. At pre-

* [Ibid. Pref. p. xxv.]

sent, I shall only remark, that if with all the savings which have thus been occasioned by benefit clubs, and if, notwithstanding the uniform success with which they have been attended, wherever they have been carried into execution, the poor's-rates have doubled their former amount within the last twenty years, it only proves that the malignity of this political disorder is incomparably greater than, on a superficial view, we might be led to expect. I presume, that no person will go so perversely wrong, as to impute this increase to the institution of friendly societies, which are manifestly of the most salutary tendency. Notwithstanding, however, the vast and acknowledged mischiefs connected with the English system of Poor-laws, so deeply does the evil appear now to be rooted not only in the political condition of the country, but in the habits of thinking among the people of England, that not longer ago than the commencement of the present century, the following most extraordinary assertion was publicly maintained:—"The poor have as good a right to their portion of my estate, as I have to my own," &c.

The facts which have been already stated, together with the incidental remarks interspersed, seem abundantly to authorize doubts, whether, on the whole, it would not have been better if no national provision for the poor had been thought of by the English Legislature; and if the care of this unfortunate class of men had been left entirely to the voluntary charity of their fellow-citizens. That this was the opinion of Montesquieu, may be inferred from the following clause, where, speaking of Hospitals, he remarks, that "occasional provisions for the poor are better than perpetual foundations. The evil is temporary; the remedy must, therefore, be of the same nature, and applicable to the particular circumstances."* The same sentiment, too, was long ago expressed still more explicitly by an eminent writer of our own country, Mr. Henry Fielding, whose opinion on the subject is of peculiar weight, from his long and intimate acquaintance with the manners and habits of the lower orders of this country, "To say the truth, as this

* [*Esprit des Loix*, Liv. XXIII. chap. xxix. Part II. p. 107.]

law hath been perverted in the execution, it were, perhaps, to be wished it had never been made. Not because it is not our duty to relieve real objects of distress, but because it is so much the duty of every man; and I may add, so much the inclination of most Englishmen, that it might have been safely left to private charity."*

Among our later politicians, this conclusion has been very generally adopted; and it must be granted, that a strong argument in its favour, arises from a consideration of the motives which are the great springs of human industry. What would become of the business of human life, if the passions of hope and fear were extinguished; and, in the case of the lower orders, by what can their exertions be excited, but by that which ministers to the necessities of their present condition? The influence of honour and ambition, the passions which actuate the higher orders, is scarcely felt among them; nor is there anything to excite them to uniform exertion, but the necessity of providing for the passing day, and the prospect of securing some store for the helplessness of old age. To strengthen the influence of these motives, is one of the most important ends at which a legislator can aim; and where his institutions, unfortunately, have an opposite tendency, it is vain to hope to remove, by means of any corrective police, that idleness, vice, and misery, of which he himself is the author. On this subject, a variety of excellent and striking observations have been lately made by Mr. Malthus, in the new edition of his *Essay on the Principle of Population*. The result of these observations is, that if the Poor-laws of England had never existed, "though there might have been a few more instances of very severe distress, the aggregate mass of happiness would have been much greater."† For the reasonings by which he supports this conclusion, I refer to his very valuable work.

It is, however, a very different question, whether, supposing no legal provision had been made for the poor, it would have

* [*Inquiry into the Causes of the Increase of Robbers*, &c., Sect. iv.; *Works*, Vol. IV. p. 554.]

† [Book III. chap. vi.; Vol. II. p. 177, edit. 1806.]

been expedient to establish one; and whether, circumstanced as England actually is, it would be wise to abolish that part of her policy, by a direct repeal of the existing Laws? According to Sir Frederic Eden, "no temperate political speculatist of the present day has ventured to recommend the wholly lopping off this vast member of our system of jurisprudence. Among the various opinions as to the mode of relieving the wants of the distressed classes of the community, and of correcting the abuses which have insensibly crept into the administration of the Poor-laws, it seems to be very generally agreed, that a modification only of those laws, and not a total repeal of them, can be attempted."*

To these observations, I shall take the liberty of adding, that there are many cases in which laws that are strictly conformable to the great principles of justice and expediency, and which, undoubtedly, would form a part of a perfect system of legislation, would be attended with dangerous consequences, if connected with institutions which were not of a congenial spirit and tendency. Supposing, for example, that all the other principles of Political Economy, with regard to the freedom of trade, &c., were established and acted upon, there cannot be a doubt, that anything approaching to a compulsory maintenance of the poor, would be a glaring absurdity. But it is not equally clear whether a deviation in one instance from what is politically right, may not require other deviations of a similar nature. Into this discussion, however, I cannot now enter.

These considerations, obvious and just as they undoubtedly are, do not furnish any argument in favour of a compulsory maintenance of the poor, as a wise political institution. On the contrary, they take for granted, that it is an evil when considered abstractly. But they seem to render it somewhat doubtful, whether, with the different reforms required in that department, it might not be necessary to combine others relating to very different articles of Political Economy. Without, however, making any immediate or violent alteration on the general outline of the existing Poor-laws, there are some principles on which it is supposed by the more temperate reformers,

* [*State of the Poor*, Book II. chap. i.; Vol. I. p. 470.]

that the Legislature might safely proceed, in checking the farther progress of the evil. Such is the measure proposed by Sir Frederic Eden, for limiting the assessments of the poor to the average of a certain number of years; permitting a new average to be afterwards made at the end of certain stated periods. "There would thus," in the apprehension of this very respectable writer, "be room for future economy, though not for future extravagance."* This proposal of a limited assessment has been repeatedly sanctioned by the opinions both of statesmen and of speculative politicians of no inconsiderable note; by Mr. Gilbert, for instance, who for so many years distinguished himself as a useful and active member of the Lower House, on all questions connected with the internal improvement of the country; and by Sir William Pulteney, whose indefatigable industry and zeal in promoting every measure which might be productive of general utility, are universally known in both parts of the United Kingdom; and it has, for many years, found a zealous advocate in Mr. Arthur Young, to whom, indeed, the first idea of the plan is ascribed by Mr. Whitbread in his late *Speech on the Poor-laws.*†

Simple and safe, however, as this measure may, at first view, appear to be, it has been warmly opposed by different writers: by Mr. Howlett, in particular, in a work published by him in the year 1788, entitled, *The Insufficiency of the Causes to which the Increase of the Poor has been commonly ascribed.* Among the different objections urged by this last writer against a limited assessment, the most plausible is founded on the fatal consequences which might result to the impotent poor, from the scarcity of an inclement winter, when the assessment would be found inadequate to their wants. This objection has been lately pushed farther, and urged with still greater ability, by Mr. Malthus, in the Appendix to the last edition of his *Essay.* "Under such a law," he observes, "if the distresses of the poor were to be aggravated tenfold, either by the increase of numbers or the recurrence of a scarcity, the same sum would be invariably appropriated to their relief. If the Statute which

* [Ibid. p. 484.] † [P. 12.]

gives the poor a right to support, were to remain unexpunged, we should add to the cruelty of starving them, the extreme injustice of still *professing* to relieve them. If this Statute were expunged or altered, we should virtually deny the right of the poor to support, and only retain the absurdity of saying, that they had a right to a certain sum."* The same view of the subject has been adopted by Mr. Whitbread, in his *Speech on the Poor-laws*, where he concludes a very able argument in support of Mr. Malthus, by expressing his own conviction, that "if an allowance is to be made to the poor, it ought to be co-extensive with the necessities to which it is to apply."†

On a question of this sort, relating to which my own means of information are so scanty, compared with those of Mr. Howlett, Mr. Whitbread, and Mr. Malthus, I certainly am not entitled to deliver any opinion. But I may be allowed, without the imputation of undue presumption, to observe, that the objection which they have stated against the expediency of a limited assessment, is, in some measure, inconsistent, as it seems to take for granted the very principle uniformly denied by those who support the scheme of a compulsory maintenance of the poor. The principle I allude to is, that the voluntary charity of individuals is not a sufficient resource for the poor in times of scarcity. But against this assumption, a variety of strong facts may be urged. Vast as our legal establishment is, and abundant as the means it affords of accomplishing its objects undoubtedly are, much still is entrusted by law to the unconstrained charity of individuals. Nor does it appear from experience, that the more opulent classes fail in discharging this duty, notwithstanding the effect which the legal provisions produce both in damping the spirit, and in exhausting the means of their beneficence. And it may, perhaps, be doubted, whether the cases in which their charity has been blameably deficient, be so numerous as those in which it has exceeded what is politically expedient.

Although, however, the plan of a limited assessment seems to me to deserve a still more ample discussion before it is

* [Vol. II. p. 529, third edition.]

† [P. 15.]

finally rejected, I must acknowledge, that I am much less sanguine in my hopes of its practicability, after the decided tone in which it has been reprobated by these three individuals, all of whom are so intimately acquainted with the local details, and with the established prejudices of the English nation. Nor must I omit the dexterity with which Mr. Malthus has quoted Mr. Young against himself, on this very question; an inconsistency, which I am the more disposed to take notice of, as it tends to justify a censure which I passed, in a former part of this course, on the numerous contradictions and inconsistencies which abound in the words of this industrious and public-spirited writer:—"The National Assembly of France, though they disapproved of the English Poor-laws, still adopted their principle, and declared, that the poor had a right to pecuniary assistance; that the Assembly ought to consider such a provision as one of its first and most sacred duties; and that with this view, an expense ought to be incurred of fifty millions a year. Mr. Young justly observes, that he does not comprehend how it is possible to regard the expenditure of fifty millions a year as a sacred duty, and not extend that fifty to one hundred, if necessity should demand it; the one hundred to two hundred, the two hundred to three hundred, and so on in the same miserable progression which has taken place in England."* It is unnecessary for me to remark, that this is precisely the argument employed by Mr. Malthus against Mr. Young's own plan of a limited assessment, with this important difference, however, (I must in justice to Mr. Young observe,) that the National Assembly of France had sanctioned, by a legislative act, those very dangerous prejudices which previously had no existence there.

Another plan for a gradual abolition of the Poor-laws has been proposed by Mr. Malthus. The leading idea of this plan is, that "no child born of any marriage taking place after the expiration of a year from the date of the proposed law, and no illegitimate child born within two years, should be entitled to

* [*Essay on Population*—Appendix, Vol. II. p. 529, third edition.]

parish assistance."* To this proposal, Mr. Whitbread has objected in very strong and pointed terms in his *Speech on the Poor-laws*, and has even gone so far as to say, that it would necessarily be repealed within two years of its establishment.† For my own part, I must confess, that the considerations stated by Mr. Whitbread in support of his opinion, do not carry conviction to my mind. Of the difficulties to be expected in carrying the plan into execution, I am perfectly aware; but if these are not altogether insurmountable, we ought to weigh carefully in the other scale of the balance the magnitude of the evil which it is its object to remedy. The plan has, at least, the merit of conformity to general principles, inasmuch as it involves a disavowal of the whole system of compulsory maintenance, while, at the same time, it avoids all rejection of those claims which individuals might be expected to allege, if any privileges were withdrawn from them by law, which they had, from infancy, been taught to regard as their right.

Before leaving the subject of the English Poor-laws, it is proper for me to observe, that the general principle of compulsory maintenance upon which they are founded, strongly as the preceding facts and reasonings appear to conclude against it, is by no means abandoned as either unjust or inexpedient by all our speculative politicians, even in the present times. The ingenious author of an *Essay on the Right of Property in Land*, which was published a few years ago, extols them as the most generous and reputable branch of our internal legislation; and Mr. Howlett has pronounced the general system on this subject to be "a venerable pile, raised by the hands of skilful architects, and to stand a distinguished monument of the wisdom and humanity of the British nation. Like every other edifice," he continues, "it is liable, indeed, to the injuries of time and seasons, and must want occasional repairs and occasional improvements; but if pulled entirely down, we might stand a chance of either being buried in its ruins, or, at best, of never raising anything in its stead of equal grandeur,

* [Ibid. p. 396.]

† [P. 16.]

utility, or beauty."* The same opinion he has since maintained in the *Examination of Mr. Pitt's Speech in the year* 1796:—"To me this system appears a most judicious union of wisdom and humanity. This is the true spirit of our Poor-laws."†

The increase of the poor, which is commonly ascribed to our injudicious system of Poor-laws, and their defective execution, is chiefly owing, in the opinion of Mr. Howlett, to a greater advance in the price of provisions than in the price of labour. His remarks on the point are extremely interesting and valuable. But admitting them to be perfectly just, all that they prove is, that the increase of the poor in England is not to be ascribed solely either to the existing Laws, or to their injudicious execution; and that other powerful causes co-operate in aggravating the evil. That the increase of mendicity arises, partly from some general causes affecting other countries of Europe, as well as England, may be inferred from some facts collected by Mr. Howlett, with respect to the multiplication of the poor in Scotland and in France. His information concerning the latter kingdom, particularly, is curious, and it seems to have been communicated to him by a very intelligent and authentic writer. "I can venture to assert, with the utmost confidence," says Mr. Howlett's correspondent in a letter dated in 1788, "that the poor of France, within a very few years, have been extremely multiplied; that, notwithstanding the public contributions for their maintenance are much more abundant than ever, they are still in a very deplorable situation, and that the capital is by no means the only city in which are at once presented to the view, the astonishing contrast between the most extravagant luxury on the one hand, and the most shocking distress on the other. Orleans being situate between the richest and the poorest provinces, may be considered as a kind of standard or medium by which to judge of the kingdom at

* [*The Insufficiency of the Causes to which the Increase of our Poor and of the Poor's-rates have been commonly ascribed*, &c., 1788, Part III. sect iii. p. 118.]

† [Sect. I. p. 5.]

large; the total population of this city is 50,000 persons, of whom one-third receive charitable assistance from their superiors." All measures, both severe and mild, have been tried to reduce the number of poor in this town. The amount of the several contributions for their relief, the same correspondent states, "at about 360,000 livres, or £19,000 a year. But notwithstanding these, and similar exertions of benevolence in every part of the kingdom, no season of uncommon severity arrives, but vast numbers of entire families, especially in the country, perish for want, are strictly and literally starved and frozen to death."*

An examination of the causes of this multiplication of the poor in countries where no legal provisions are made for them, could not fail to lead to important conclusions. But although it might shew, that the mischiefs of the English Poor-laws have been somewhat exaggerated, it would never tend to a vindication of the general principle on which they are founded. With respect to the facts on which so much stress is laid by Mr. Howlett, as establishing the disproportion between the rate of wages and the price of provisions, I do not mean to enter at present into any discussion. I shall only remark, that the rate of wages cannot be expected to fluctuate, nor is it expedient that it should fluctuate, with the occasional variations in the money price of corn. I have already had occasion to shew that the price of wages has a natural tendency to adjust itself to the *average* money price of the necessaries of life. That this natural tendency is beneficial, on the whole, to all the parties concerned, may be easily demonstrated. Nor does it seem possible for the law to interfere for regulating it on any other principle, without aggravating the evil. Supposing that the price of labour were regulated, as has been proposed by some speculative men, and men mentioned in our National Assembly, by the price of corn, what would be the consequence in a year of scarcity? Manifestly this: that as the most numerous class of consumers would be enabled to purchase the same quantity as in a year of plenty, the same consumption

* [*Insufficiency of the Causes*, &c., Part I. sect. i. pp. 16-18.]

would take place in the one case as in the other, and the necessity of that economy would be superseded, which can alone prevent a dearth from ending in a famine.

I would not be understood, by these remarks, to give any opinion on the question, Whether the real reward of labour has been increasing or declining, within the last fifty years? Mr. Howlett's opinion on this question has been already stated. The contrary is strongly maintained by Sir Frederic Eden, who published in the year 1797; and by Mr. Smith, in his *Wealth of Nations*, published about twenty years before. Mr. Burke, too, in a paper written in November 1795, asserts confidently, that "even under all the hardships of the last year, the labouring people did, either out of their direct gains, or from charity, in fact, fare better than they did, in seasons of common plenty, fifty or sixty years ago; or even at the period of my English observation."* The question, in truth, resolves ultimately into a still more general one, with respect to the progressive or declining state of the funds destined for the employment and maintenance of labour; a question, undoubtedly, of the most interesting nature, but which, in whatever way it may be decided, does not appear to have any immediate connexion with the discussion concerning the expediency of a legal provision for the poor, or of a legal limitation of the rate of wages. For even on the supposition that the circumstances of the country were in this respect declining, the evil, obviously, is not of a kind which admits of a legislative correction, in any other way than by supplying what is defective, or amending what is erroneous in the general system of Political Economy.

So much with respect to the legal establishment for the provision of the poor as it exists in England, and the various subordinate articles which seem to be more particularly connected with that branch of police. On the various plans which have been proposed for the gradual amendment and reformation of the English system, I do not presume to offer any opinion; nor, indeed, am I qualified to do so, without

*[*Thoughts and Details on Scarcity*; *Works*, Vol. VII. p. 379, edit. 1808.]

having had an opportunity of ascertaining, by personal observation, a great variety of facts about which I find the most contradictory statements in the works of authors who are all equally entitled to credit for their talents, their characters, and their means of information. One good consequence which is, at least, to be expected from the succession of bad years which lately took place, is, that the mass of important information which these were the occasion of bringing before the public, is likely to invite speculative men to attend to the reformation of this branch of police, at a time when the general principles of Political Economy are unquestionably much better understood than at any former period when it was an object of legislative attention. The labours of Sir Frederic Eden in this department are entitled to peculiar praise. They do great honour to his persevering industry as a collector of facts, and to his enlightened zeal as a good citizen; and whoever undertakes the subject after him, will find the consideration of it much facilitated, by the extent and accuracy of his researches. It is to be regretted, that he had not bestowed a little more time in condensing and arranging his materials; as his valuable work, certainly, is not likely, in its present form, to attract the attention of an ordinary reader. In justice to this author, however, I must observe, that this very defect seems to have been owing, in a great measure, to a motive which reflects greater honour on him than the attainment of literary fame; an anxiety, while Mr. Pitt's Poor Bill was under the examination of Parliament, to contribute whatever information he was possessed of that might have the most remote tendency to enlighten and direct its proceedings. For the inelegances of style which the work contains, no better apology can be offered than in his own words: in quoting which, I cannot help remarking, how completely they prove with what facility he might have added the graces of composition, if he had aimed merely at the fame of an eloquent writer. "I have endeavoured to be plain, simple, and perspicuous, but have never wasted that time in polishing a sentence which I thought I could better employ in ascertaining a fact; and even in matters of fact thus brought forward,

there will, I more than doubt, be too often found something to object to as inaccurate."* In compiling the foregoing historical sketch, I have availed myself very largely of the assistance which this writer's work afforded me, confining myself, however, to the most prominent facts, and distinguishing them, as much as possible, from details of inferior importance. The view which I have exhibited, with all its imperfections, will, I hope, be sufficient to convey a general idea of the present system of Poor-laws in England, and of the most interesting discussions to which it has given rise.

SECT. II.—OF THE SCOTTISH POOR-LAWS.

I now proceed to a short statement of the Laws relative to the same subject, in our own part of the United Kingdom. The Scottish Laws with regard to the poor, merit our attention not merely on account of their more immediate reference to the concerns of our own country, but as affording an experimental proof of the good or bad effects resulting from a system which is strikingly contrasted with that of the English legislators. Of the contrast which this part of our Scottish policy exhibits to the corresponding regulations of the English code, particular notice was taken at an early period, by a very eminent man, who had enjoyed the best opportunities of observing the consequences of both. I allude to Bishop Burnet, who, in the Conclusion of his *History of his Own Times*, published in the year 1708, expresses himself thus:—"It may be thought a strange notion from a Bishop, to wish that the Act for charging every parish to maintain their own poor, were well reviewed, if not quite taken away; this seems to encourage idle and lazy people in their sloth, when they know they must be maintained; I know no other place in the world where such a law was ever made. Scotland is much the poorest part of the island, yet the poor there are maintained by the voluntary charities of the people. Holland is the most perfect pattern for putting charity in a good method; the poor work as much as

* [*State of the Poor*, Preface, p. xxix.]

they can; they are humble and industrious; they never ask any charity, and yet they are well relieved. When the poor see that their supply must, in a great measure, depend on their behaviour and on their industry, as far as it can go, it will both make them better in themselves, and move others to supply them more liberally; and when men's offerings are free, (and yet are called for, every time they go to church or to sacrament,) this will oblige those who distribute them, to be exact and impartial in it, since their ill conduct might make the givers trust them with their charity no more, but distribute it themselves."*

From the particulars which I am now to state, it will appear that Bishop Burnet had confined his attention solely to the established practice of the two different parts of the island, in their management of the poor, without taking into consideration the existing Statutes on the subject in the Scottish code, which he probably regarded as a dead letter. At the same time, it is somewhat curious, when we consider how conversant this writer was with the jurisprudence of both parts of the island, that he should have regarded the law of compulsory maintenance as altogether peculiar to the English code. This circumstance, however, does not in the least detract from the value of this very weighty testimony with regard to the opposite effects of compulsory assessments and voluntary charity.

The earliest Statute to be found in the Scottish Acts relative to this subject, was passed in the reign of James I., in the year 1424. During the minority of this Prince, it is well known that Scotland was in the most unsettled state, great numbers who had no lawful occupation subsisting entirely by rapine and plunder. The King, on his return from captivity in England, where he had enjoyed the advantage of a good education, and had witnessed the happy effects of a regular and vigilant government, turned his thoughts to the improvement of the situation of his own kingdom; and as an indispensable preliminary to his other measures, began by improving its internal police, as this seemed most likely to be effectual in protecting

* [Vol. II. p. 659, orig. edit.]

his peaceable and industrious subjects against the violence and rapine which were then so prevalent in every part of the kingdom. In his First Parliament, it is statuted, that "na companies passe in the countrie, to lye upon onie the Kingis lieges: or thig; or sojourne horse, outher on kirk-men, or husbands of the land;" and that "gif onie complaint be maid of sik trespassoures to the schireffe of the land; that he arreist sik folk, and challenge them, and tax the Kingis skaith upon them: and gif they be convict of sik trespasse, that they be punished, and find burrowes till assyeth (that is, to satisfy or recompense) the King and the partie complainand."* In the same Parliament, it is ordained, that "na thiggeres be thoiled to beg, nouther to burgh nor land-wart, betwixt fourteen and threescore ten zeires, bot they be secure be the councelles of the tounes, or of the lande, that they may not winne their living uther waies."† In James III.'s Parliament, (1425,) it is ordained, that "the scheriffe sall gar arreist idle men, and gar keepe them in fastenesse quhill it be knawin quhairupon they live. And that the countrie sall be unskaithed of them: thereupon the schireffe sall receive gude and sicker burrowes. After the quhilk burrowes founden, the scheriffe sall assigne fourtie daies to sik idle men to get them maisters, or to fasten them to lawfull craftes. And they fourties daies beand gane, gif they be founden mair idle, the schireffe sall arreist them againe, and sende them to the Kingis prison, to abide and be punished at the Kingis will."‡

In stating these particulars, it may be thought that I enter more into detail than is necessary or proper in this place, and that the minute provisions made for the police of a barbarous country in the fifteenth century, might safely be omitted in a political speculation, which is meant to have reference to our own times. But although I am ready to acknowledge the truth of this observation, I cannot prevail on myself to omit the opportunity which the present subject affords me, of quoting a few clauses from our old Statutes, which are valuable, as

* [Eden's *State of the Poor*, Appendix x.; Vol. III. p. cclxxviii.]

† [Ibid. p. cclxxix.]

‡ [Ibid.]

throwing light on the progress of order and civilisation in Scotland. Nor will they be found altogether foreign to the principal object of our inquiry, inasmuch as they strongly illustrate the impotency of legislative interference in curing, by the mere regulations of police, disorders which originate in the general condition and habits of the country.

I have already taken notice of the rigour of some laws of James I. against beggars. In the sixth Parliament of his successor, a law still more severe than any hitherto mentioned, was passed against the same description of offenders. It is probable that the disorders which these laws were meant to remedy, had, during the King's minority, become more prevalent. By this Act "it is ordained, for the away-putting of sornares, over-lyars, and maisterful beggars, with horse, houndes, and uther gudes, that all officiares, baith schireffes, baronnes, aldermen, baillies, as well within the burgh, as outwith, take an inquisition at ilk courte that they hald of the foresaid things: and gif ony sik be founden, that their horse, houndes, or uther gudes be escheit to the King, and their person put in the Kingis waird, quhill the King have said his will to them. And alswa that the said scheriffes, &c., inquire at ilk courte, gif there be onie that makis them fuiles, and are bairdes, or uthers sik like rinnares about. And gif onie sik be founden, that they be put in the Kingis waird, or in his irones, for their tresspasses, als lang as they have ony gudes of their awin to live upon, that their eares be nailed to the trone, or till ane uther tree, and their eare cutted off; and banished the countrie. And gif thereafter they be founden againe, that they be hanged."* Various other laws, breathing the same spirit, were enacted during the reigns of James II., James III., and James IV. In an Act passed in the fifth Parliament of James V., (1535,) after ordaining the strict execution of the Statute of James I., it is added, that no beggars should "be thoiled to beg in ane parochin, that are borne in ane uther; and that the headesmen of ilk parochin make takinnes and give to the beggars thereof, and that they be susteined within the bounds of that

* [Ibid. p. cclxxx.]

parochin, and that nane uthers be served with almous within the bounds of that parochin, bot they that bearis that takinne allanerlie."*

On an examination of the laws which were passed previous to this period, it will be found evident, from their general scope, that they were framed chiefly with the view of repressing the banditti and vagrants who had disturbed the public peace. It is probable, that the impotent poor were comparatively inconsiderable in number, or that they were easily supported by voluntary alms. In all the subsequent Acts, the laws respecting vagrants, and the idle and impotent poor, are included in one Statute; their principal object being, avowedly, to compel the idle to industry, and to provide for the indigent. In consequence of the advanced state of the country, it would appear that the banditti who had formerly been so numerous, had become less formidable; while, on the other hand, the failure of their former resources, added to the commercial progress of the country, tended at once to multiply the objects of real charity, and to impose on the Legislature the necessity of opening new sources of bounty in their favour. At the era of the Reformation, it appears that some of the leaders in that memorable cause had struggled at first to obtain, under the new system, the establishment of a plan for the support of the poor, to supply the place of those aids which they had enjoyed formerly; and in the proposal which was made to the first General Assembly, in the year 1516, it was suggested, that a fund for the support of the poor, as well as for the establishment of schools, and the endowment of the reformed clergy, should be assigned out of the old revenues of the Church. But the nobles, who had got possession of the Church's patrimony, rejected the proposal, as John Knox informs us, as altogether visionary. The grievance, however, at length became so serious, and was so severely felt by all orders of the community, that it was necessary for the Legislature to attempt a remedy. Accordingly in the year 1579, a Statute was passed, which is the groundwork of all the subsequent enactments on this head, and

* [Ibid. p. cclxxxi.]

which is so full, minute, and systematic, that it is justly said to constitute, with the exception of a few subsequent amendments, our code of Poor-laws. Of the history of this important Act, which does not seem to have been much attended to either by our Scottish or English antiquaries, I shall have occasion afterwards to take notice. In this Act, passed in the sixth Parliament of King James VI., it is ordained, "that the Provestes and Baillies of ilk burgh and towne, and the Justice constitute be the King's Commission in every parochin to landwart, sall, betwixt and the first day of Januar nixt-to-cum, take inquisition of all aged pure, impotent, and decayed persones, borne within that parochin; or quhilkes war dwelling, and had their maist commoun resorte in the saide parochin, the last seven zeires by past, quhilkes of necessitie mon live bee almes: and upon the saide inquisition, sall make ane register buike, conteining their names, and surnames, to remain with the Provestes, and Baillies, or with the Justice." And to enable them to make such a register, the poor are commanded, "under the paine to be punished as vagabondes," to repair to the parish in which they were born, or had resided for seven years. After having thus ascertained the number and necessities of the poor, the Magistrates are commanded "to taxe and stent the haill inhabitants within the parochin, according to the estimation of their substance, without exception of persones, to sik oulkie charge and contribution, as sall be thocht expedient and sufficient to susteine the saidis pure peopil, and the names of the inhabitants stented, togidder with their taxation, to bee likewise registrate." Collectors and overseers are likewise to be appointed to superintend the collection and distribution of the tax, and the register is ordained to be made anew every year.*

From the very exact coincidence between the provisions of this Statute, and those of the 43d of Elizabeth, Sir Frederic Eden concludes, that the latter was framed on the model of the former. His words are these:—"Although Scotland is now exempted from the heavy burthen of a Poor's-rate, it is remarkable that a compulsory provision for the poor was esta-

* [Ibid. p. cclxxxiv., *seq.*]

blished by law, in the former kingdom, two-and-twenty years before the passing of the 43d of Elizabeth. In the sixth Parliament of James VI., held at Edinburgh in 1579, an Act was passed 'for punishment of strang and idle beggars, and reliefe of the pure and impotent;' in which every branch of the poor system,—the punishment of vagabonds, of runaway servants; —the mode of passing soldiers and seamen to their parishes; —the regulation of hospitals for aged and impotent persons;— the settlements of the poor;—their maintenance by the parish;—the appointment of overseers and collectors;—the manner of treating those who refuse to work;—and of putting out poor children apprentices, are more fully detailed than in any English Act of Parliament. . . . I have very little doubt but that many of the provisions of English Parliaments, in the reign of Elizabeth, respecting the poor, were framed in conformity with the policy of their northern neighbours."* In opposition to this statement with respect to the Act of the Scottish Parliament in 1579, it has been observed to me by my friend, Mr. Francis Horner, that this Act is a literal transcript of a Statute passed seven years before by the Parliament of England, (14th Elizabeth, cap. 20,) which, having been superseded by the subsequent enactments, is not printed in the modern editions of the Statutes at large, but may be found in the older collections. All its provisions, both for the relief of the poor and the repression of vagrants, are exactly the same; and even the turn of expression is scarcely varied. It would appear, therefore, that this Act of the 14th of Elizabeth, has been altogether overlooked by Sir Frederic, when he hazarded the conjecture stated above.

The fifteenth Parliament of James VI., (1597,) ratifies the former Act, with this addition, "that starke beggars, and their bairnes, be employed in commoun warkes."† The twenty-eighth Parliament of the same King, (1617,) ordains, that "Forasmuch as there hath been divers worthy laws and statutes made by his Majesty, and his Highness' predecessors, for restraining

* [Ibid. Book I. chap. ii.; Vol. I. p. 131, note.]

† [Ibid. Appendix X.; Vol. I. p. cclxxxvii.]

of idle and masterful beggars; and notwithstanding thereof, the number of the saids beggars hath daily increased more and more: and his Majesty and estates, considering that the cause of the multiplying of the saids beggars hath, and doth, proceed from this ground, that no order hath been taken, in bygone time, with the poor children and orphans, born of poor indigent parents, who being tollerated or neglected, at their first entry to begging, doth contract such a custome and habite, that hardly they can be drawn thereafter to any other calling. . . . Therefore his Majesty, with advice and consent of the estates, doth, in most earnest manner, recommend to all his Highness' loving subjects, requesting them, as they tender the good and honour of the realme, to receive within their houses and family, and to take upon their care, intertainment, and education, some of the saids poor and indigent children, one or moe, every person according to his power and faculty, ... to be educate and brought up by them, either in their houses, or to be put by them to such crafts, callings, and vocations, either within the country, or without the same, as they please."* These two Statutes fix a memorable era in the history of this branch of Scottish jurisprudence, a commencement having been then given to those important functions in the superintendence and management of the poor, which the kirk-sessions, or parochial consistories, have since exercised in a manner so creditable to themselves, and so beneficial to their country.

The sixteenth Act of the third Session of the first Parliament of King Charles II., ratifies all former Acts concerning vagabonds and poor, and farther ordains, "that it shall be leisum to all persons or societies, who have or shall set up any manufactories within this kingdom, to seize upon and apprehend the persons of any vagabonds, who shall be found begging, and who, being masterless and out of service, have not wherewith to maintain themselves by their own means and work, and to imploy them for their service as they shall see fit, the same being done with the advice of the respective magistrates of the place where they shall be seized upon," &c.† This is a most

* [Ibid. p. cclxxxviii.] † [Ibid. p. cclxxxix.]

important enactment, as we shall afterwards see, and that to which must chiefly be ascribed the advantage which Scotland possesses over the sister kingdom in this branch of her policy.

"The last Statute which in Scotland was enacted concerning the poor, bears date the 1st September 1698; and it ratifies and approves all former Acts of Parliament for repressing of beggars, and maintaining and employing the poor."* The era at which it passed is memorable in the annals of Scotland, a severe dearth having continued from 1692 to 1699, the memory of which was preserved among the common people, within the period of my own recollection, by the name of "the seven ill years."

Notwithstanding, however, the existence of this unrepealed Law, the fact is, that the greater part of the enactments and statutes which it sanctions, have silently fallen into desuetude, in consequence partly of their total inapplicability to the actual circumstances of the country, and partly of the manifold contradictions which they contain, and of their palpable inconsistency with each other. That the poor, however, in Scotland, do possess a legal claim to relief, is a principle placed beyond all doubt by repeated decisions of our Supreme Court. By a finding of 6th June 1744, it was decreed on a question between two parishes in Berwickshire, that residence for three years in a parish, gives the pauper a right to relief. In the case of the parish of Humbie, (13th February 1757,) with regard to the joint administration of the poor funds by the heritors or tenants, the whole system of the Scottish Poor-laws was investigated very minutely; and not only the decree, but all the arguments employed on this occasion, proceed on the supposition, that the Act 1579, with its subsequent amendments, is fully in force. Since the last scarcity, a new case, from the same parish of Dunse, has been determined by the Court of Session. The question on which it turned was this: whether, under the Scottish Poor-laws, those persons are entitled to relief, who, without any personal infirmity, are rendered unable by the high price of provisions to maintain themselves, and whether assess-

* [Ibid. p. ccxciii.]

ments are legal in times of dearth. The Court decided, 17th January 1804, that such relief and assessment are legal.

I thought it in some measure necessary to enter into these details, as Sir Frederic Eden, whose authority in those parts of English police, which relate to this matter, is generally allowed to be very safe, has been so far misled by an article in the *Encyclopædia Britannica*, as to assert, that there is no law in force in Scotland on the subject of a compulsory assessment for the poor;* a mistake into which, I must, at the same time, allow that it was not unnatural for a stranger to fall, after the very loose and incorrect language which has been employed on the subject by several of our Scottish clergymen, in their Statistical Reports. With respect to the fact, there is some irregularity in different parts of Scotland, by which it is not surprising that a stranger should be perplexed in this matter. In some parishes, assessments have been made for forty years past, while in others, which still are a majority of the whole, the collections at the church-doors, the small fines levied by the kirk-sessions for petty immoralities, and the interest of the small sums accumulated or bequeathed to the poor, have rendered legal assessments superfluous. In those parishes where assessments are made, the usual plan is thus described by Dr. Sommerville, in his *Statistical Account of the Parish of Jedburgh.*

"The minister intimates from the pulpit, that on such a day a meeting of the heritors and elders is to be held, for the purpose of making a provision for the poor for the ensuing quarter. These meetings generally take place near the terms of Candlemas, Whitsunday, Lammas, and Martinmas. Upon the day of meeting the elders elect a preses, after which the minutes of the former sederunt, and the roll of the poor, are read by the clerk. Forming a calculation from the number already standing upon the roll, and the applications made to them, the heritors assess themselves in a certain sum to be collected from them severally, according to the proportion of their valued rents. The proprietor pays one-half of the assessment, and the

* [Ibid. p. ccxciv.]

tenant the other. Though the tenants are not mentioned in the summons, yet such of them as choose to attend are made welcome, and their advice and information listened to by the meeting. The sum assessed is raised by the heritors and kirk-session together, in such proportions as seem adequate to the necessities of the poor. Such persons as are reduced to the necessity of applying to the heritors for charity, from any accidental transient cause, such as *disease* or *misfortune*, receive what is called an *interim supply*, *i.e.*, a certain sum for that quarter only. The aged and infirm, and such as are likely to continue under the same necessity of depending upon public charity, are taken upon the poor's-roll at a certain weekly allowance. The persons taken upon the roll are obliged to subscribe a bond or deed of conveyance, making over and bequeathing all their effects to the heritors; and though the heritors seldom exact their effects, yet the subscription of the bond serves as a check to prevent persons, who may be possessed of concealed property, from alienating the public charity. The sum assessed is levied by a collector, appointed by the heritors, and distributed by him to the persons admitted upon the roll, according to the proportions allotted to them."*

For the information of those who are little acquainted with the institutions and phraseology peculiar to Scotland, it is necessary to add that the *kirk-session*, by which the greater part of the poor are relieved, is somewhat similar to an English *vestry;* that is, when regularly constituted, it must always consist of the minister, elders, session-clerk, and kirk-treasurer. The salaries which are allowed to the session-clerk and kirk-treasurer, who is usually the schoolmaster of the parish, seldom, if ever, exceed £2 sterling; and with this trifling exception, the whole business of the collection, superintendence, and distribution of the poor's funds, is managed without a farthing of expense. No similar instance, I believe, of frugality and disinterested zeal in the administration of so extensive a charity, can be produced in any country of Europe.

From what has been now stated concerning the poor-rates

* [Sir John Sinclair's *Statistical Account of Scotland*, Vol. I. pp. 12, 13.]

in those parts of the country where they have been introduced, it is evident that many of the objections which are commonly urged against that tax as levied in England, do not apply to it when subjected to such checks and modifications as have hitherto restrained its abuse in this country. The chief and most essential of these, undoubtedly, arises from the manner in which the tax is imposed on this side of the Tweed, that being done by the persons who are to pay it; whereas in England it is trusted to the discretion of a few obscure individuals on whom the burden does not fall, and whose responsibility is not great. Accordingly, some very candid and intelligent writers, who acknowledge the intolerable burden which it has brought on the other part of the island, have expressed strongly their approbation of the general principle on which the tax proceeds, and their conviction of the expediency of extending the practice over Scotland, on a plan which has been so successfully exemplified in a variety of different instances. Nay, even Lord Kames himself, who has pushed the argument against compulsory maintenance to its utmost possible extent, has been almost led to admit an exception in favour of Scotland.*

With respect to the moral effects which have been experienced from poor-rates in Scotland, the following statement is given by a very candid and very competent judge, who has long had an opportunity of witnessing their practical tendency in that part of the country where he resides, Dr. Charters of Wilton. "It is alleged," says he, "that poor-rates weaken parental and filial affection. Let the fact be fairly inquired into, and it will be found, that many children labour hard to prevent their parents from receiving an aliment; and that children in good circumstances who suffer their parents to receive it are infamous:—a proof that the case is rare. During twenty-two years' ministry, in a pretty numerous parish, where the poor are maintained by taxation, I have known only one instance of children refusing to assist their parents; they forfeited the esteem of their neighbours, and banished themselves

* [*Sketches of the History of Man*, Book II. sketch x.; Vol. II. p. 58, orig. edit. 1774.]

to America."* In another passage, the same writer expresses himself thus:—"The desire of laying up is so strong, that the poor-rate has not yet, and probably never will, extinguish it. A spirit of independence pervades the people; they feel the humiliation of receiving alms; they discern the difference betwixt having of their own, and trusting to what is given."†

Notwithstanding, however, these very strong statements, which cannot fail to have great weight with all who know the worth and talents of the author, I cannot help (probably from the circumstance of having lived chiefly in those parts of the country where poor-rates are unknown) feeling a decided partiality, more especially in a moral view, in favour of the old practice of supporting the poor by voluntary contributions, wherever imperious circumstances do not render this impracticable. Where the case is otherwise, the question no longer admits of discussion, and a compulsory law is the only expedient which can supply an effectual remedy. In favour of the moral effects of our good old practice, I shall only observe farther, that where a tax is imposed for relief of the poor, and where, of course, the only aid received by them is extorted from the rich without their consent, it is impossible for the objects of this compulsory beneficence to feel themselves indebted for that which is given without charity, or to consider it in the same light with that which is bestowed from generous motives. As soon as it is thought that the assistance given them is their right, the relief conceded is considered as only what is due, and the least hardship to which they may be exposed is viewed as injustice.

Independently, therefore, of all other considerations, there is intrinsically a material difference between the moral effects of voluntary contributions, and those that may be expected to result from legal assessments, however wisely regulated, and however ably and honourably administered. It ought to be carefully considered by the advocates of a compulsory assessment, whether the evils complained of in England have not

* [Sir John Sinclair's *Statistical Account of Scotland*, Vol. XV. pp. 641, 642.]
† [Ibid. p. 642.]

been the natural and necessary, though, perhaps, slow consequences of the legal provision. While such checks, indeed, exist, as those in Scotland, it is difficult to conceive how any very gross abuses can take place in country parishes. But in great towns, the experiment is infinitely more hazardous. It does not seem to be possible, indeed, to contrive any system, which is not likely, sooner or later, to degenerate into such a state as that which we find prevalent in England. Even in country parishes, the result of past experience furnishes but too much ground for serious alarm. It is asserted by Mr. Findlater, in his very judicious and able *Survey of the County of Peebles*, that where poor-rates have been regularly established in Scotland, the poor have been continually on the increase.* Of this assertion, he has produced some proofs well entitled to the consideration of those who take an interest in the decision of this question, as a matter of local expediency, (for, in truth, it is nothing more,) in those parts of the country with which they may be connected.

* [Chap. XV. sect. vii. p. 226.]

[CHAPTER II.]

[SUBSIDIARY MEASURES FOR THE RELIEF OF THE POOR.]

To the historical sketch which has already been given concerning the Poor-laws in both parts of the United Kingdom, I think it may be useful for me to add a few remarks on certain Subsidiary Measures, for the attainment of the same ends, which have either been sanctioned by the authority of the Legislature, or have been carried into execution by the act of private individuals.

[SECT. I.—OF CHARITY WORKHOUSES.]

Among these measures, one of the most plausible is that of Charity Workhouses, a plan proposed more than a century ago by Sir Matthew Hale, and warmly defended by many respectable writers of a later date. The scheme proposed is, in general, this:—That after a list has been taken of all the poor in any one populous parish, or in two or more smaller parishes, a house should be built for their accommodation; that materials for work of various kinds should be provided for them; that this house should be under the direction of a few respectable individuals, who should appoint one or more superintendents to regulate and inspect the management, &c. It cannot be denied that this plan promises, in theory, some very important advantages. In the *first* place, It leaves no opportunities for common beggary. The loathsome objects which fill our streets will be taken care of: the lame, diseased, and aged will be provided for. *Secondly*, It leaves no excuse for idleness: work will be given to all who are willing to labour. And in

the *third* place, this appears to be the most frugal and profitable plan: a number of persons living together, will be more easily provided for, and their united work will be more productive, than when they live in separate houses.

It is not surprising that this plan, so plausible in itself, and so warmly recommended by many writers, should have met with considerable success; and that in the course of the last century, it should have been actually carried into execution in many great towns in England and Scotland. But its effects are now ascertained by experience, and it may be shown, from undoubted evidence, that Charity workhouses, in general, have been so far from answering the many excellent purposes which were expected to arise from them; that, in fact, they have proved the worst of all the methods that could have been devised for remedying the evil in question. Poor-houses, during the first years of their institution, may have proved useful, an effect which may have been partly owing to the greater zeal of the managers during the first enthusiasm of their beneficent exertions, but chiefly because the poor were then unwilling to be admitted into them. As long as this continues to be the case, the terror of being sent to a workhouse diminishes the burden of the poor-tax, in proportion to the number of indigent persons who dread poverty less than the loss of character. It is, in fact, a virtual repeal, as far as it extends, of those laws which should have, long since, given way to better regulations. But, unfortunately, it is the most worthy objects who suffer most from this institution, the effect of which is, to hinder those from receiving support who dread the confinement, or the noise and nastiness, even more than the confinement, of workhouses, and consider the security which they afford against the evils of want, as dearly purchased by the sacrifice of that serenity and peace, which can scarcely be expected to exist where an indiscriminate mixture of individuals of all different habits and tempers are collected together. The dread of involving themselves in this misery, can hardly fail to keep many poor struggling with poverty, till they sink entirely under its pressure. A most affecting statement of this nature has been

given by Mr. Morton Pitt, in his *Address to the Landed Interest on the Deficiency of Habitations and Fuel for the use of the Poor*, published a few years ago, [1798.]

Nor are these institutions attended with the advantages which they promise in point of economy. Even in parochial workhouses, and in those which are under the best regulations, the poor do so little work, that the produce of their labour almost escapes notice, while they are maintained at a most enormous expense. Instead of doing more work under one roof, and being fed more cheaply than when dispersed in their several cottages, the reverse appears clearly to be the fact. And, indeed, this is no more than might have been expected from a candid examination of the general principles of human nature. It is not reasonable, surely, to suppose, that men deprived of their liberty will work with the same cheerful activity for others, as they would do for themselves, and be contented with the same hard and homely fare which they would eat with thankfulness at home. It is hope which must sweeten all our labours; nor will any abundance of the means of subsistence relieve us from that despondency at our state, which must necessarily ensue, where we have no object of pursuit, and no room for fears and doubts. It is chiefly owing to this very circumstance, that the services of slaves are so much more expensive than those of freemen.

In Mr. Morton Pitt's *Address*, some observations are introduced on the comparative expense of maintaining the poor, in their own houses and in workhouses. They are quoted from a letter to the author by Mr. Davies, of L . . . ,* whose extensive and practical acquaintance with subjects of this nature seems to be universally acknowledged. The result, we are told, of his elaborate and minute inquiry, was, that every individual in a workhouse cost the parish a considerably greater sum weekly, than when supported out of the house during the same period. The cause of this inequality he attributes chiefly to the difference in their food. . . .

Against County Workhouses the objections are much stronger;

* [As the Editor has been unable to procure Mr. M. Pitt's *Address*, he can neither supply this name, nor give any quotations from the pamphlet.]

the buildings, furniture, salaries, everything in short being there on a large and expensive scale, without its being possible to preserve, for any length of time, a system of economy. At first, indeed, there may be a great exertion; but the novelty being over, few will be found public-spirited enough to continue their attendance and attention to a business in which they are so little interested, and from which they are continually diverted by more important engagements, and more agreeable pursuits. In the meantime, while the expenses of these institutions are so enormous, the objects whose relief they are intended to accomplish, are wretched, still more even than in parochial workhouses, where they are not condemned to the same state of banishment from their friends and relatives. If such institutions are attended with any benefit at all, it can only be the negative one, of operating as a partial repeal of laws, which make still greater depredations on the public resources.

All the foregoing observations, it must be remembered, apply chiefly to County Workhouses, and must not be extended, without many limitations, to similar establishments in large and populous cities; in which, probably, there are always a great variety of individuals who could not be disposed of in any other way so properly. This distinction between Town and Country Workhouses is strongly stated in a letter, formerly adduced from Mr. Davies, [p. 302.] . . . In these remarks, there is undoubtedly much truth and good sense. But they ought not to have been extended beyond the cases which Mr. Davies describes,—those of destitute orphans, and of those friendless and helpless persons mentioned by him; and in general, it may be safely affirmed, that wherever the poor can be provided for by a weekly supply of money or food, in their own houses, this method is, in many respects, preferable to the other.

To those who may turn their attention practically to the state of the poor, more particularly in great towns, some important hints may be suggested by a perusal of Voght's *Account of the Management of the Poor in Hamburgh*, published at Edinburgh in the year 1795. An abstract of the account, drawn up by the Bishop of Durham, will be found in

the *Seventh Report of the Society for Bettering the Condition of the Poor*. The success which has attended the efforts of the original projectors of this plan, has far exceeded their most sanguine expectations. The institution was formed in the year 1788, at which time, out of 100,000 inhabitants of Hamburgh, there were about 7000 distressed persons, in want of regular relief, besides an average of 2500 persons in the hospitals. Since that period, scarce a beggar has been seen in Hamburgh, and the decrease of sickness and mortality has been rapidly progressive. The average mortality was, at first, in the proportion of one to ten; in 1789, it was greatly reduced; and it has since gradually diminished to less than one to twenty. The average of all the expenses attending the employment of the poor, for three years ending 1st December 1796, including loss on the sale of manufactured goods, was annually £611.

In reviewing the origin and progress of the institution at Hamburgh, the Bishop of Durham has very justly remarked the benefits it has derived from the division of attention, the advantages of which he compares to those resulting from the division of labour in manufactures. "The division of *labour* has not produced more extraordinary effects in a well-conducted manufactory, than the division of *attention* in a well-arranged institution. The giving to every acting member his peculiar and appropriate duty, not interfered in by any other person, as has been done with great effect at Hamburgh, is of the utmost importance in every establishment. Those who have attended much to the conduct of charities, must have had frequent occasion to regret, that, even among the best intentioned men, more time and more power is often wasted in the counteraction and controversion of petty and trivial measures, than in the furtherance of the real objects of the institution. This is the *friction*, the impediment of action, the obstruction to progress, which it is most essential to prevent; and it is in this respect, that the benevolent and enlightened founders of the institution at Hamburgh have been peculiarly judicious and successful."*

*. [*Reports of the Society for Bettering the Condition of the Poor*, No. XL.; Vol. II. p. 41, third edition.]

After all, it is impossible not to feel some apprehensions about the permanent stability of an institution which requires the active and gratuitous co-operation of so many individuals. The steadiness with which it has hitherto been conducted, does infinite credit to those concerned in its management, and may probably continue unabated while the enthusiasm of the original projectors remains to animate their exertions. But the most public-spirited and benevolent men are not always the most active and persevering, and it thus often happens that the management of institutions for the poor, of whatever nature, after the first efforts of zeal are passed, fall into the hands of persons indifferent to their interests, and unfit to carry them on. It might be advisable, therefore, if any similar establishment is formed elsewhere, that the most essential parts of its execution should be committed to men, who are paid for their labour, and at such a rate as to render the employment an object to persons placed in the more respectable conditions of life.

The publicity and regularity of the accompts, seem also to have contributed much to the success of the undertaking at Hamburgh. And, indeed, where precautions of this sort are overlooked in any charitable establishment, it cannot but, sooner or later, subside into a mere job.

It gives me much satisfaction to learn, by a letter which I received about three years ago, that this very interesting establishment continues still to prosper.

The same general views which suggested the plan now under consideration, prompted the execution of a similar establishment, by Count Rumford, at Munich. The success of this undertaking has been singularly great. But it is unnecessary for me to enter into any details with respect to it, not only because the plan is very generally known, but because a great deal seems to have depended on the particular nature of the government by which it has been so effectually protected and encouraged.

[SECT. II.—OF BENEFIT CLUBS, OR FRIENDLY SOCIETIES.]

In this review of the attempts which have been made for the relief of the lower orders, I must not omit to mention one, which originated first among themselves, and which promises more real and lasting advantages than all the others put together; I allude to the institutions commonly known by the name of Benefit Clubs, or Friendly Societies. The general object of these institutions is, to secure to the industrious from the surplus, or a part of the surplus, of their earnings, an equivalent resource during their incapacity to labour. This idea, although I have not the least doubt that, in this country, it was the genuine offspring of English good sense and sagacity, was not altogether unthought of by the ancients. Causaubon produces ample evidence to shew, that there were, among the Athenians, and also in the other states of Greece, associations where each member deposited every month, in the common chest, a certain sum, for aiding such of their associates as met with any misfortune. Gronovius, too, seems to prove that the same plan was followed in Rome. The truth is, that the general idea of such establishments, however happy in itself, and important in its consequences, is not of so difficult a nature but that it may be expected to present itself to mankind in every civilized society, where they happen to be pressed by the same evils. From a *Memoir* by M. Dupont de Nemours, it appears that various establishments of this kind had sprung up spontaneously in differents parts of France among the lower orders.

Since the commencement of the last century, such institutions have extended themselves to most parts of Great Britain. Sir Frederic Eden mentions some in the north of England that had existed for a hundred years, and their utility is now so completely established by experience, that the most enlightened friends of the poor in the southern parts of the island, seem, almost unanimously, to consider them as the happiest of all the expedients which have yet been devised for bettering the

condition and morals of the lower orders. It appears, also, from the *Statistical Accounts* of our clergy, that similar establishments are multiplying fast in Scotland, and that they have been found of great service in preventing labourers and working manufacturers from becoming burdensome.

An Act passed in 1793, for the encouragement of Friendly Societies, removed many difficulties to which they had formerly been subject. By this Act it is declared, that such societies are lawful, and it is required that their Rules shall be confirmed by the Quarter Sessions. The advantages conferred by the Act on such societies as have their rules confirmed, are many and important.

Prior to this Act, it is said to have happened frequently, that the majority of an occasional meeting, which, by the rules of the society, was competent to make laws, expelled all the absent members, though superior to themselves in number, while the persons thus injured were left without the means of redress. A very extraordinary instance of this is stated to have happened lately, in the case of a society whose rules had not been confirmed:—"In the neighbourhood of Ealing, a majority, composed of the *young* men of a friendly society, agreed to dissolve the society, and divide the stock, and thereby, at once, defrauded all the *old* members of that provision for age and infirmity, which had been the object of many years' contribution. A new society was immediately formed of the young persons, and all the old members were left to the parish."* This very extraordinary fact is stated on the authority of the Society for Bettering the Condition of the Poor, and may be found in the Notes and Observations attached to their *First Report.*

Another essential advantage conferred on such of these institutions as have their rules confirmed by the Justices, was the privilege of their members to carry on their occupations in the most convenient places, without being subject to be removed to the parish of their legal settlement; an encouragement, how-

* [*Reports of the Society for Bettering the Condition of the Poor*, No. I.; Vol. I. pp. 10, 11, footnote, third edition.]

ever, which is in a great measure done away by the late Act preventing the removal of all persons till they become actually chargeable. A very respectable writer, accordingly, Mr. Rowland Burdon, has suffered his zeal for Friendly Societies to carry him so far as to censure this Act for granting an extension of the advantages formerly enjoyed by the members of such societies alone. "The locomotive faculty derived from the certificates of Friendly Societies, is a very obvious advantage, and I was sorry to be obliged to give way to the authority of the Legislature, in the adoption of a general principle of this nature with respect to the poor, by the passing of an Act for the preventing vexatious removals, which has taken away, or at least diminished much, this inducement for entering into Friendly Societies."*

The beneficial tendency of these institutions is strongly and very judiciously stated in the paper from which the foregoing observation is quoted:—"The great desideratum, with respect to the maintenance of the poor, has always appeared to me to be the encouragement of habits of economy, and of a system of periodical subscription towards their own subsistence. Where men derive support in sickness and old age from their individual efforts, in conjunction with those of their neighbours, they pass through the various periods of trial without that degradation which attends parochial relief; being necessarily amenable to each other for a certain degree of forethought and good conduct, they learn insensibly to be regular in their attention to the earnings of their business, and by acquiring a permanent connexion with their neighbours, they become incapable of those acts of vagrancy which are so wasteful of that main source of national wealth, the labour of the lower orders of the people."† These remarks are extracted from a short Memoir, published in the *First Report of the Society for Bettering the Condition of the Poor*. The paper itself is worthy of a perusal, as it contains some interesting details concerning a Friendly Society at Castle Eden, in the county of Durham, on a scale

* [Ibid. p. 10.]

† [Ibid. pp. 10, 11.]

adapted for general use; and exemplifies, strongly, not only how much the poor may be led to do for themselves, but to what a degree of kindness and good fellowship they may be habituated in the management of their common concerns. "I have learnt with pleasure that, in more instances than one, they have collected little sums among themselves to present to their sick and necessitous neighbours, over and above the allowance from the funds of the society, which, as far as I know, is an effect of philanthropy derived from the institution."*

Numberless other testimonies in favour of these establishments might be produced from other writers who have turned their attention lately to the state of the poor; and it is by such statements, founded on actual experience, and not by speculative reasonings, that our judgment may be safely guided in disquisitions of this nature. In truth, amidst the most striking discordancy of opinion on almost every other point relating to the maintenance of the poor, I do not recollect a single individual of note who has not acknowledged the beneficial effects of friendly societies, as far as their information has extended.

Impressed strongly with these considerations, Mr. Acland, who published in the year 1786 *A Scheme for enabling the Poor to provide for themselves*, proposed that a general fund should be established on principles in many respects similar to those which had suggested the institutions now under consideration. This plan is said to have received the approbation of Dr. Price. It has been strongly, though somewhat captiously, opposed by Mr. Howlett;† and is objected to for reasons not so questionable, by Sir Frederic Eden. Among these, there are two entitled to peculiar weight; in the *first* place, that it would operate, in many respects, like a poor-rate; and *secondly*, that as the members would be governed by laws not made by themselves, it would want that recommendation

* [Ibid. p. 9.]

† [*Insufficiency of the Causes to which the Increase of our Poor have been ascribed*, &c., Part III. sect. iii. p. 109, *seq.*]

from which friendly societies chiefly derive their popularity and usefulness.*

Among our later writers, some have proposed to extend more widely the beneficial effects of such institutions, by the encouragement of premiums; and others, to render them universal, by employing compulsory regulations to obtain subscriptions from labourers of every kind. But both measures are deprecated with great warmth by all those who have combined with their theoretical views, a proper attention to the feelings and prejudices of the lower orders of the state; the former, as it would create a new branch of public expenditure, the extent of which cannot possibly be foreseen, and the utility of which is far from being certain; and the latter, as it would, in all probability, counteract the ends in view, by converting into a tax an article of economy, which derives its whole value, and its most important moral effects, from the circumstance of its being voluntary. It is extremely remarkable, that the people seem to have felt peculiar jealousy at every legislative interference with this favourite institution; insomuch, that Sir Frederic Eden has expressed his conviction, that if Parliament attempts any farther interference, the spirit of the plan will be greatly damped, if not entirely repressed. Even the Acts already passed, he says, though they have been wisely framed, and do really confer a great benefit, have created much alarm, and have occasioned the dissolution of many societies.†

The only inconvenience which has ever been objected to these institutions is, that they encourage convivial meetings, and thereby occasion a waste to the labourer's family of the fruits of his industry. But it is no solid argument against their general utility, that they are attended with those partial evils which are inseparable from all the devices of human policy. Their aim is not perfection, but improvement; and it is a sufficient proof of their excellence, as Sir Frederic Eden very liberally remarks, "that they have been found congenial to the social habitudes and prejudices of the labourer; and

* [*State of the Poor*, Book II. chap. iii.; Vol. I. p. 603, *seq.*]

† [Ibid. p. 631.]

that, if they cannot correct the inclination (which is too often caused by hard labour) for conviviality and dissipation, they at least convert a vicious propensity into a useful instrument of economy and industry, and secure to their members (what can seldom be purchased at too dear a rate) subsistence during sickness, and independence in old age."*

It is proper for me to add, after expressing myself so strongly in favour of these institutions, that I do not think they accomplish so completely all that might be attempted for the advantage of the lower orders, as to supersede the utility of farther arrangements for the attainment of the same end. Many individuals in the humbler walks of life, at least in ordinary times, can afford a still larger deduction from their expenditure than their monthly contingent requires; and it might be of infinite consequence to the industry, comforts, and morals of themselves, and of their families, if proper measures could be devised to encourage them to habits of economy, and to enable them to lend out at interest their petty gains. The losses which persons of this description, ignorant of the world, frequently suffer from ill-placed confidence, conspire with the temptations of the present moment, to divert them from habits of saving; and it would be a subject well worthy of the consideration of those who unite a spirit of humanity, and a practical acquaintance with business, to devise some plan for diminishing the risk of such loans, and for removing the other obstacles which stand in the way of so desirable an improvement.

The remarks which have been just made, appear to me to furnish the true explanation of a paradox, which has been very often insisted on from motives extremely reprehensible, by various writers, that the liberal reward of labour encourages idleness. A variety of French writers have concurred in this opinion, and Mr. Arthur Young, in several of his works, pretends that the truth of the observation is amply confirmed by his own extensive observation. Dr. Franklin, too, whose works are in general animated by a spirit of genuine humanity, has given it the sanction of his authority. "The common people,"

* [Ibid. p. 632.]

he observes, "do not work for pleasure generally, but from necessity. Cheapness of provisions makes them idle; less work is then done, it is then more in demand proportionally, and of course the price rises. Dearness of provisions obliges the manufacturer to work more days and more hours, thus more work is done than equals the usual demand; of course it becomes cheaper, and the manufactures in consequence."*

To this doctrine, so discouraging to the most numerous and the most essential of all the classes of society, Mr. Smith has opposed some very ingenious reasonings, endeavouring to prove, in his *Wealth of Nations*,† that more work is done in cheap years, than in those of greater scarcity. But although I am no less unwilling than Mr. Smith to shew any favour to the views of those who support this proposition, I must own, that his reasoning on this point does not seem to me to be quite satisfactory; nor do I think it necessary for the accomplishment of the benevolent purpose in view, to lay so much stress on the fact on which the doctrine is founded. Granting this fact in all its extent, what does it prove but the necessity of removing those circumstances in the condition of the people, which have produced in their case an effect so contrary to the general analogy of human affairs? Among these circumstances, none has operated more powerfully than the difficulty which the inferior ranks experience, in disposing safely and profitably of the surplus of their earnings. Hence an improvidence of the future, and a habit of considering wages in the light of a daily subsistence, sometimes more and sometimes less abundant, but always destined for present consumption. The natural and necessary consequence is, that when the labour of two days is sufficient for the support of three, instead of accumulating their gains with a steady perseverance, they attempt to economize proportionally their own industry, and poverty and wretchedness are handed down from generation to generation. If an easy and unexceptionable mode of disposing prudently of that proportion of their gains, which they could spare, were devised,

* [*Political Fragments*, Sect. iii.; *Works*, Vol. II. p. 415, edit. 1806.]

† [Book I. chap. viii.; Vol. I. p. 131, tenth edition.]

that desire of bettering their condition, which never fails to operate where it has a field, would soon produce diligence and alacrity among the poor, and the humble occupation of industry and labour would be enlivened and cheered by hope and by ambition. With the view of assisting, and without the most distant idea of interfering with this arrangement, Mr. Malthus proposed, some years ago, the establishment of country banks; and more lately, Mr. Whitbread suggested the establishment of a great national institution of the nature of a bank, for the easy and advantageous employment of the savings of the poor.* On the merit of neither of these two plans am I prepared to give any opinion. [Our *Savings Banks* have originated from the same principle.]

[SECT. III.—ON THE DISTRESSES OF THE POOR, IN SO FAR AS THEY PROCEED FROM THEIR OWN EVIL HABITS.]

Having treated, at some length, of the state of the poor, and of the spirit of that branch of our police by which their condition is more immediately affected, I think it necessary to add, before concluding the subject, that in years of moderate plenty, a very great part of the distress occasioned to the lower orders in this island, must be ascribed to their own perverse habits, which are likely long to remain the subject of our unavailing complaints. It is remarked by the late Dr. Currie of Liverpool, in his *Medical Reports*, "that the want of a diet sufficiently nutritious is, undoubtedly, one of the causes which promote the typhus and other diseases among our poor." The miserable effects produced by the unfortunate appetite for intoxicating liquors, so prevalent among the lower orders, have been often discussed, and very generally lamented. Indeed, I know only of one writer of note, who has ventured to dissent from the prevailing opinion on this subject; and I scarcely apprehend, that his reasonings, confidently as they are stated, and great as the weight is which they derive from the imposing authority of so illustrious a name, will require a serious exa-

* [*Speech on the Poor-Laws, delivered in the House of Commons*, February 19, 1807, p. 42.]

mination. I allude to a panegyric on the happy effects of dram-drinking, which occurs in a Posthumous Essay of Mr. Burke, lately published by his executors.

"The alembic, in my mind, has furnished the world a far greater benefit and blessing, than if the *opus maximum* had been really found by chemistry, and, like Midas, we could turn everything into gold.

"Undoubtedly there may be a dangerous abuse in the excess of spirits; and, at one time, I am ready to believe the abuse was great. When spirits are cheap, the business of drunkenness is achieved with little time or labour, but that evil I consider to be wholly done away. Observation for the last forty years, and very particularly for the last thirty,* has furnished me with ten instances of drunkenness from other causes for one from this. Ardent spirit is a great medicine, often to remove distempers—much more frequently to prevent them, or to chase them away in their beginnings. It is not nutritive in *any great* degree. But if not food, it greatly alleviates the want of it. It invigorates the stomach for the digestion of poor meagre diet, not easily alliable to the human constitution. Wine the poor cannot touch. Beer, as applied to many occasions, (as among seamen and fishermen for instance,) will by no means do the business. Let me add, what wits inspired with champagne and claret will turn into ridicule—it is a *medicine for the mind.*† Under the pressure of the cares and sorrows of our mortal condition, men have at all times, and in all countries, called in some physical aid to their moral consolations,—wine, beer, opium, brandy, or tobacco."‡

The only reply I shall make to this passage is, by quoting one or two paragraphs from *An Account of the Colony in New South Wales*, published, a few years ago, by Colonel Collins, who held, for a considerable number of years, the office of Judge Advocate in that settlement. The book, notwithstanding the extreme prolixity of its details, is interesting and

* [This Paper was written in 1795.]

† [The celebrated book, *Medicina Mentis* of Tschirnhausen, is here referred to.]

‡ [*Thoughts and Details on Scarcity*, *Works*, Vol. VII. pp. 413, 414, edition 1808.]

instructive, in many respects, to all who turn their attention to that branch of police which relates to the morals of the lower classes of society; and on no account more than by the numerous and melancholy illustrations which are there produced, of the moral effects which have attended the invention of the alembic. Of its medical effects, I do not presume to give any opinion. "At Sydney and Paramatta, a license was given for the sale of porter; but, under the cover of this, spirits found their way among the people, and much intoxication was the consequence. Several of the settlers, breaking out from the restraint to which they had been subject, conducted themselves with the greatest impropriety, beating their wives, destroying their stock, trampling on and injuring their crops in the ground, and destroying each other's property. . . . The indulgence which was intended by the Governor for their benefit, was most shamefully abused; and what he suffered them to purchase with a view to their future comfort, was retailed among themselves at a scandalous profit, several of the settlers' houses being at this time literally nothing else but porter-houses, where rioting and drunkenness prevailed as long as the means remained."* . . .

"The American spirit had by some means or other found its way among the convicts; and a discreet use of it being wholly out of the question with those people, intoxication was become common among them. The free use of spirits had been hitherto most rigidly prohibited in the colony; that is to say, it was absolutely forbidden to the convicts. It might therefore have been expected, that when that restraint was in ever so small a degree removed, they would break out into acts of disorder and contempt of former prohibitions. It was therefore indispensable to the preservation of peace and good order in the settlement, to prevent, if possible, the existence of so great an evil as drunkenness, which, if suffered, would have been the parent of every irregularity. The fondness expressed by these people for even this pernicious American spirit, was incredible; they hesitated not to go any length to procure it, and

* [Chap. xviii. Vol. I. pp. 240, 241. London, 1798.]

preferred receiving liquor for labour, to every other article of provisions or clothing that could be offered them."*

After these details, which no one will be disposed to suspect of exaggeration, who has turned his thoughts to the habits of the same description of men in our own country, it cannot fail to appear a little surprising, that in the discussion which lately took place on the policy of opening the distilleries,—a measure which was adopted on the first prospect of returning plenty, so little stress was laid, by either party, on the moral effects which it was likely to produce; the argument on both sides hinging on economical and financial considerations. And here, I must be allowed to say, that, in my opinion, the reasonings of those who contended for the policy of the measure, are far more consistent and conclusive than those of their adversaries. On the one hand, it was argued, that the alarming scarcity with which we had been afflicted, and the acknowledged deficiency in the supply of bread corn in this country, concluded strongly against such a waste of the public produce. On the other hand, it was asked with much truth, what means are so permanently effectual for accomplishing the extension and improvement of tillage, as to enlarge the market for the produce of the soil, the effects of which, in the instance of exported corn, had been found so beneficial. This argument would, indeed, justify a prohibition of importation from abroad; and, accordingly, such a prohibition has been frequently recommended. A similar one existed under the old Government of France, and, I think, is still enforced. If the advocates of this last proposition were wrong in carrying their general parallel too far, without a due regard to those collateral combinations of circumstances by which all general maxims in Political Economy are limited, and more particularly in overlooking the morals of the people, as a thing in which the Legislature had no interest or concern, their doctrine is, at least, more consistent with itself than that of the manufacturing towns, which, in order to increase the supply of grain, would prevent the profits of the farmer from rising to their natural level.

* [Ibid. chap. xx. Vol. I. p. 260.]

In what has been now hinted, I have taken for granted, that the cheapness of spirituous liquors encourages drunkenness among the people; a fact of the truth of which no one can have the smallest doubt, who has attended to the melancholy experiments which Scotland has afforded on this point during the last twenty years. There is, indeed, a passage in Mr. Smith's *Wealth of Nations* which seems to favour a different opinion, and of which I think it proper to take notice, on account of that weight which is justly attached to the name of the author. I shall quote the passage in Mr. Smith's own words:—"It deserves to be remarked, that if we consult experience, the cheapness of wine seems to be a cause, not of drunkenness, but of sobriety. The inhabitants of the wine countries are in general the soberest people in Europe; witness the Spaniards, the Italians, and the inhabitants of the southern provinces of France. People are seldom guilty of excess in what is their daily fare. Nobody affects the character of liberality and good fellowship, by being profuse of a liquor which is as cheap as small beer."* As Mr. Smith has confined himself in this remark to wine and ale, it is unnecessary for me to inquire how far his reasonings are justified by experience. I shall therefore only observe, that whether right or wrong in their application to these liquors, they certainly do not hold with respect to the materials of dram-drinking, which, I have not the smallest doubt, would be consumed with the greatest eagerness, if they filled the channels of our rivers. The principle which leads to this species of gratification is, in truth, essentially different from that spirit of conviviality, and that imitation of the pleasures of their superiors, which lead to the other excesses of the inferior ranks, being precisely of the same kind with that appetite for stupifying drugs, which prevails very generally among men who wish to escape from their own thoughts.

I am even somewhat doubtful if Mr. Smith has not gone too far in asserting, that "were the duties upon foreign wines, and the excises upon malt, beer, and ale, to be taken away all

* [Book IV. chap. iii.; Vol. II. p. 242, tenth edition.]

at once, it might occasion in Great Britain a pretty general and temporary drunkenness among the middling and inferior ranks of people, which would probably be soon followed by a permanent and almost universal sobriety."* Some instances of extraordinary, and indeed almost incredible excess in the use of malt liquors among the lower classes in England, may be found in Marshall's *Rural Economy of the Midland Counties;* and, I suspect, may be referred to nearly the same causes which operate powerfully against the habits and morals of our own populace, wherever the means of intoxication are placed within their reach.

I alluded formerly to the mischiefs which have been occasioned by the peculiar manner in which the duties on spirituous liquors are levied in this northern part of the island, [Vol. I. pp. 320, 321;] I mean the fatal principle, established in the year 1786, of collecting the duties on spirits in Scotland, by a license duty on the contents of the still, instead of a specific duty on every gallon of liquor produced. The obvious effect of this measure was, to prompt the distiller to work against time in the production of spirits, and to stimulate his ingenuity in distilling the greatest possible quantity within the year. And as this quantity was, by the law, to be consumed within Scotland, the country became, as it were, deluged with whisky. The reduction of price occasioned by the competition which thus took place, while it disappointed the distillers, poisoned the habits and morals of one-half of the people. The only advantage to which it gave rise was to the revenue; and it was the boast of the authors of this plan, that Government never drew anything worth the trouble of collecting from the Scotch distilleries before this new system was adopted.

It is not, perhaps, easy to imagine any one instance in which it is in the power of the Legislature to produce so great and so immediate an effect on the morals of the people, as by taxing the materials of dram-drinking, in such a way, as to place them beyond the reach of the common people. As this vicious habit does not necessarily involve any violation of the rights of others,

* [Ibid. pp. 242, 243.]

it is not directly punishable by law. But it is the parent, among the lower orders, not only of the greater part of their distresses, but of the largest proportion of those crimes which, in many instances, bring them to an untimely end; and the means of prevention, which are in the power of the Legislature, are gentle, humane, and entirely effectual.

As to the argument used by Mr. Burke in favour of spirituous liqours, that "they are *a medicine of the mind*," &c., [see p. 314,] I am far from being disposed to affirm that it is altogether groundless; and I should willingly have subscribed to his opinion, as a proof, not only of the humanity, but of the sound judgment of the author, if, without apologizing for the excesses of dram-drinking, he had confined himself to a defence of the moderate use of what are commonly called malt liquors; a beverage at once exhilarating and nutritious, and by no means liable to the same abuses with the other. Such a beverage ought to be afforded to the people at as moderate a price as possible; whereas it is the tendency of the policy now pursued in this part of the island, to depress the breweries, while it encourages the distillation of spirituous liquors.

Having alluded, in the conclusion of my last lecture, to some pernicious habits which are prevalent among the lower orders in this country, I think it proper for me to take notice, in justice to their character, of a very able argument in their defence, more particularly in defence of the English labourers and husbandmen, which was published a few years ago, by [the Rev.] Mr. [David] Davies, [Rector of Berkham, Berks.]

"Time was when small beer was reckoned one of the necessaries of life, even in poor families; and it seems to have been designed by Providence for the common drink of the people of this country, being deemed a preservative against some of its worst diseases. Were the poor able to afford themselves this wholesome beverage, it would well enough compensate for the scarcity of milk. But, on account of the dearness of malt, which is, most unfortunately for them, a principal subject of

taxation, small beer has been, these many years, far beyond their ability to use in common.

"Under these hard circumstances, the dearness of malt and the difficulty of procuring milk, the only thing remaining for them to moisten their bread with, was *tea*. This was their last resource. Tea (with bread) furnishes one meal for a whole family every day, at no greater expense than about one shilling a week at an average. If anybody will point out an article that is cheaper and better, I will venture to answer for the poor in general, that they will be thankful for the discovery. . . .

"Still you exclaim, *Tea is a luxury*. If you mean fine hyson tea, sweetened with refined sugar, and softened with cream, I readily admit it to be so. But *this* is not the tea of the poor. Spring water, just coloured with a few leaves of the lowest-priced tea, and sweetened with the brownest sugar, is the luxury for which you reproach them. To this they have recourse from mere necessity; and were they now to be deprived of this, they would immediately be reduced to bread and water. Tea-drinking is not the cause, but the consequence, of the distresses of the poor."*

In the passage now quoted from Mr. Davies, there is a proposition which is certainly stated in terms too unqualified, that the habit in question is not the cause, but the consequence of their distresses. In Scotland, for instance, it cannot be denied, that this wasteful practice, now so general among the lower classes, in a large proportion of cases, is the effect of an absurd imitation of the habits of their superiors. At the same time, that Mr. Davies's remark has some foundation in truth, I am inclined to believe, from this circumstance, that in other instances where the distresses of the poor have been great, they have been led to betake themselves to similar resources.

I cannot take leave of this article without noticing again the humane and useful exertions of some late writers, in attempting to improve the domestic economy of the labouring poor, by pointing out the best means of reducing their

* [*Case of Labourers in Husbandry, Stated and Considered*, 1795, Part I. sect. iv. pp. 38, 39.]

expenses, without diminishing their comforts, by suggesting cheap and agreeable substitutes for their ordinary diet, which in times of scarcity and distress the labourer may be enabled to command, and by introducing such mechanical contrivances as may render their cottages more wholesome and comfortable. In times of general abundance, as I formerly remarked, habits of parsimony and minute attention to economy, could not be expected to continue; nor is it desirable, while our agricultural resources are still so immense, that they should become universal and permanent. But in such seasons of scarcity as we have lately experienced, [1799-1800,] and indeed, till effectual means are taken to render the national supply adequate to the national demand, and to absorb in the various practices of lucrative industry, that mass of idle consumers who are at present a burden on the other orders of the community, these economical arrangements cannot fail to be of extensive and essential benefit. The effects of order and frugality in increasing the resources of particular families, whose incomes are not more ample than those of their neighbours, are everywhere conspicuous, and would necessarily be exhibited on a much larger scale, if the economy from which they arise were conducted, systematically, on more scientific principles. It is observed, with great truth, by a writer in the *Annals of Agriculture*, "that the difference in comforts of the same families, at the same expense, well or ill conducted, is greater often than that of different families at different expenses. There is more difference, comparatively, in the mode of living from economy, than from income: the deficiency in income may possibly be made up by increase of work or wages; but the want of economy is irremediable, and the least income in question *with it*, will do more than the greatest *without it*. No master can, in the first place, afford wages; next, no overseer can make allowance; lastly, no magistrate can order relief enough, on any calculation but that of their being severally well managed. If the poor do not prudently serve themselves, none can effectually assist them; if they are not their own friends, none can sufficiently befriend them; the idle in procuring, or the wasteful

in using, the means of subsistence, have neither merit in themselves to deserve, nor have others power to grant them, that supply which is alone due, and can be alone afforded, to the honest, industrious, and prudent. It highly then interests all conversant with the poor, who ought to be literally all, and it is hoped are most, to consult and co-operate with them in the practice of economy; it is far more useful to teach them to spend less, or to save a little, than to give them much more."*

On these subjects, however, I must not now enlarge any farther. If your time had permitted, I could have wished to have added to the foregoing details some of the most important results that may be gathered from the scattered and fugitive publications of the day, particularly from the *Reports of the Society for Bettering the Condition and increasing the Comforts of the Poor;* aiming to compress them into as small a compass as might be consistent with perspicuity, and to present them in something approaching to a systematical form. The undertaking, I am well aware from what I have already experienced, would have been irksome to myself, in comparison of the easier task of general speculation. But in inquiries of this sort, where so much depends on an experimental acquaintance with local circumstances and prejudices, it is, perhaps, chiefly by such attempts to compress into a convenient shape the great variety of particulars which are scattered in detached publications, that those who contemplate human affairs in the closet, have it in their power to facilitate the future progress of useful knowledge.

One inference to which we are unavoidably led by the enlightened researches hitherto mentioned, it may not be useless or disagreeable to state, that although little is to be expected from any legislative modifications or corrections of the established system, yet much may be effected by the active humanity of individuals. Much has, in truth, been thus effected already; and the zeal of some particular societies in circulating the knowledge of such examples, gives us ground to

* [A. Young's *Annals*, &c., Vol. XXV. pp. 359, 361.]

hope, that much more may yet be accomplished. The paper of Lord Winchilsea,* for instance, and some others of a similar tendency, illustrate strikingly the happy effects which the possession of property, however trifling, has on the character and habits of the lower orders. The advantages resulting from this circumstance, are to be estimated not merely by the pecuniary profit to which it leads, but by the spirit of industry and economy which it inspires, and by the scope which it affords to what has been well called the master-spring of our nature, the desire implanted in the human breast of bettering our condition. Whatever circumstance stimulates an individual to look forward to a distant futurity, cultivates his habits of self-command, and advances him in the scale of moral beings; removing him from the condition of those savages, who hunt or fish when they are hungry, and eat and sleep till they hunt or fish again. Such, in truth, must necessarily be the condition of the lower classes in any civilized nation, unless the Legislature interposes in their favour. And, accordingly, wherever they can speedily convert the product of their labour into food, they seldom exert it till food is wanted. I have been told by a gentleman, who has for many years paid much attention to subjects of this kind, that in some places where nails are manufactured, it is a common practice for the shops which sell bread and other necessaries, to take nails in exchange for them, and that to such an abject state are many of the families of nailers reduced, (all of whom, including the wife and children, make nails,) that at breakfast they dispose of them for food, and have another stock ready for the provision for dinner. The most effectual antidote against these habits of improvidence, so natural to uncultivated minds, is to awaken those hopes of progressive advancement to a condition comparatively better, which the possession of property can alone inspire. On this principle, a few individuals of rank and fortune in England seem to have proceeded with extraordinary success for a considerable number of years past; and, if a similar spirit were to

* [*Reports of the Society for Bettering the Condition of the Poor*, No. XVII.; Vol. I. p. 93, *seq.*, third edition.]

animate more generally the public at large; if parish aid were more systematically directed to encourage industry of every kind, and to relieve the wants of the poor, instead of driving them into Workhouses; if workhouses were inhabited only by those who cannot, from their situation, obtain any better residence; and if Friendly Societies were to be established and encouraged wherever they are wanted:—the consequences would be incalculably great to the morals and industry of the people, and to the security of the kingdom; and a gradual remedy might, perhaps, be found for that intolérable burden, both on the landed and commercial interests of this country, which, in the words of Dr. Warburton, has arisen from "the beneficent but ill-judged plan of providing for the poor by law."

In the observations on this branch of Political Economy, I have confined myself to the view of the remedies or palliatives which have been proposed against the existing evils, declining any speculation about the primary causes in which they have originated. An investigation of these, and of the means of removing them, would open a field still more interesting, and a field where the co-operation of the Legislature would be essentially requisite. In truth, it is chiefly in this last view that the state of the poor falls under the province of the Political Economist, as those measures which have for their object barely to alleviate or relieve the distress, and to obviate the disorders which threaten society, ought rather to be regarded as expedients of police, than as legislative provisions. Some knowledge of general principles is, at the same time, undoubtedly necessary for rendering any measures of police effectual for the attainment of these objects, and for preventing misguided individuals from purchasing a temporary benefit, at the expense of advantages that are solid and permanent. Of this kind are all the establishments, which, by tending to damp the spirit of industry, must, of consequence, have the effect of invigorating the political malady which it is their object to cure. The relief, on the other hand, which is held forth to the poor through the medium of their own exertions, tends at once to

allay the distress of the present moment, and to destroy the latent seeds of radical disease.

With the details which I have already presented, I have occasionally interwoven such practical inquiries as seemed to arise most naturally from the subject. But a wide field of discussion still remains, in inquiring what are the causes of that beggary, poverty, and profligacy which prevail over Europe, and how far these evils may admit of a legislative remedy? These questions will be found to involve, in fact, all the most interesting inquiries of Political Economy; in particular, those regarding Agriculture and Manufactures,—the Freedom of trade and of industry,—and that connexion which subsists between the prosperity of commercial nations, and the general tranquillity of the world. On these questions, however, I cannot now enter. But some of the most important results may be anticipated from what has been stated in the former parts of this course. The truth is, that all which I have offered on the subjects of Population, National Wealth, and the Maintenance of the Poor, in these lectures, form but so many fragments of one general argument concerning the system of Policy which is best adapted to the present circumstances of Europe, and more particularly to the circumstances of our own island; but of which I must content myself, in so short a course as the present, with merely hinting at the outline, without making any attempt to fill up the details. If the principles, however, which I have had occasion to state, be duly considered, there can be little doubt about the conclusions to which they necessarily lead.

The maintenance of the poor is intimately connected with another very important subject, the means of effecting, where it is possible, a reformation in the manners of those persons who have rendered themselves obnoxious to the laws of their country. The attempts which have been made in modern times to accomplish this object, by means of penitentiary houses and solitary confinement, do honour to the enlightened benevolence of the present age, and may, probably, be found susceptible of many improvements, fitting them for accom-

plishing, still more effectually, the laudable and important purposes for which they are destined. On this subject, much information is to be found in the scattered suggestions of different writers of the present age; nor does the field of speculation seem to be by any means exhausted, when the subject is considered in its relation to the general principles of Morals, or to the particular purposes of Political Economy. The facts and observations collected on this subject by Mr. Howard and others, are more particularly deserving of attention. And some very ingenious and original hints on this subject are to be found in the *Panopticon* of Mr. Bentham. I shall not, however, at present enter into any discussion of this branch of inquiry, as I am anxious, before closing these lectures, to make a few observations on the *Education of the people.*

[BOOK FOURTH.]

[OF THE EDUCATION OF THE LOWER ORDERS.]

It is remarked by Mr. Smith in his *Wealth of Nations*, that "the education of the common people requires, perhaps, in a civilized and commercial society, the attention of the public more than that of people of rank and fortune. People of some rank or fortune are generally eighteen or nineteen years of age before they enter upon their particular business, profession, or trade. They have before that full time to acquire, or, at least, to fit themselves for afterwards acquiring, every accomplishment which can recommend them to the public esteem, or render them worthy of it. . . . It is otherwise with the common people. They have little time to spare for education. Their parents can scarce afford to maintain them even in infancy. As soon as they are able to work, they must apply to some trade by which they can earn their subsistence. That trade, too, is generally so simple and uniform, as to give little exercise to the understanding; while, at the same time, their labour is both so constant and so severe, that it leaves them little leisure and less inclination, to apply to, or even to think of, anything else."*

With respect to the objects to which the instruction of the lower orders should be chiefly directed, different opinions have been formed. Mr. Smith thinks, that if, in our parish schools, instead of the little smattering of Latin which is sometimes taught there, and which is scarce ever of any use to the people, they were instructed in the elementary parts of geometry and mechanics, the literary education of the lower classes would,

* [Book V. chap. i.; Vol. III. pp. 185, 186, tenth edition.]

perhaps, be as complete as it well could.* Some useful additions might be suggested to the plan he recommends; but, supposing even this plan to be carried into execution, what an accession would be gained to national character, and what a security would be added to public tranquillity and order!

The nature of our Scottish parochial schools is so well known to all the inhabitants of this part of the island, that any information concerning it must to them be, in a great measure, superfluous. As the facts, however, may not be equally familiar to all my readers, I shall be pardoned for trespassing a very little on your time, by entering into a short detail with respect to this interesting article of our national history.

As early as the reign of James IV., the Legislature of Scotland discovered an anxiety about the education of the youth, by an Act in the year 1496, "obliging all barons and freeholders that are of substance, to put their eldest sons to the grammar schools at eight or nine years of age, to remain there till they were competently founded, and had perfect Latin." Dr. Henry, in his *History of Great Britain*, observes, that in consequence of this Statute, "a competency at least of learning became gradually more general among the gentlemen, and even among the common people of Scotland, than in any other country of Europe, and several ingenious men in this period became eminent for their classical erudition."† And the introduction of the art of printing into this city, which took place a very few years afterwards, affords evidence of the increasing demand for books, and consequently of the increased diffusion of knowledge.

In consequence of the Statute already mentioned, schools came to be gradually established through the kingdom. An Act of the Privy Council of Scotland, "anent the planting of schooles," was passed in the year 1616, and was afterwards ratified in the first Parliament of King Charles I., with this addition,—"that the Bishops in their several visitations shall have power, with consent of the heritors and most part of the parishioners, and if the heritors, being lawfully warned refuse to

* [Ibid. p. 187.]

† [Book VI. chap. iv. sect. 2; Vol. XII. p. 239, sixth edition.]

appear, then, with consent of the most part of the parishioners, to set down and stent upon every plough or husbandland, according to the worth, for maintenance and establishing of the saide schooles." This Act supposed that there ought to be a school in every parish; and it went so far to accomplish this, as to provide, that the establishment of parish schools should become legal whenever a majority of the parish had consented to the measure. That it did produce this effect, in a considerable degree, in the low country of Scotland, may be inferred from the number of regulations with regard to the trial and qualifications of schoolmasters which were made about that time.

At the Revolution in 1688, however, so many schools were still wanting, that it was necessary to make a more certain and more effectual provision for their general establishment over the kingdom; and accordingly, it was enacted, in the first Parliament of William and Mary, "that there be a school settled and established, and a schoolmaster appointed in every paroch, not already provided, by advice of the heritors and minister of the paroch; and for that effect, that the heritors in every paroch meet, and provide a commodious house for a school, and settle and modifie a sallary to a schoolmaster, which shall not be under one hundred merks, nor above two hundred merks, to be payed yearly at two terms, Whitsunday and Martinmas, by equal portions, and that they stent and lay on the said sallary conform to every heritor's valued rent within the paroch, allowing each heritor relief from his tennents of the half of his proportion, for settling and maintaining of a school, and payment of the schoolmaster's sallary." On this Act depends to the present day, the legal establishment of schoolmasters in every parish, and their right to a salary from the heritors. The practice under it has been almost universal; the heritors of every parish have been obliged to find a schoolmaster, and to provide for him, in terms of the Statute. As the burden of his salary is laid on them by the Act, they are understood to have the power of electing him, the minister of the parish being allowed to vote along with them. But if the heritors shall either neglect or refuse to elect a schoolmaster,

after regular notice from the pulpit, they can be compelled to do so by a process before the civil courts, at the instance of the Presbytery, or, perhaps, of a moderate number of the parishioners.

The provision made for a salary appears, at first sight, to be altogether inadequate for the purposes in view. But at the end of the seventeenth century, indeed at a much later period, the provision made by the Act, when joined to the fees of teaching, which, although small, made a considerable addition to the living, afforded a decent competency. The amount of the salary and of the whole emoluments of the situation, does not, on an average, exceed perhaps £25 a year, or even less. In very populous parishes, it may rise to £40 a year, or even £60; but it very seldom exceeds the last of these sums. In some small parishes, it may fall as low as £16. But moderate as the provision was, it seems to have been nearly sufficient, so long as the price of labour was in proportion, which, not many years ago, did not, on an average, exceed four or five pounds yearly. The fact is, that at this very trifling expense to the public, every parish within the kingdom has been supplied with a schoolmaster, able to teach Reading, Writing, Latin, and Arithmetic. Many learned and respectable men, no doubt, are induced to enter into the profession, less on account of the income it yields, than in the hope of rising, by their industry and ability, to the situation of clergymen. To secure the qualifications of the schoolmasters, the Act provides, that though the heritors have the sole right to appoint them, the ministers of the Presbytery have the exclusive right to judge of their qualifications.

In consequence of this national establishment, the means of a literary education, and of religious instruction, were in Scotland placed within the reach of the lowest orders of the people, in a greater degree than in any other country of Europe; and the consequences have been everywhere favourable to their morals and industry, while the opportunity which has thus been afforded to gentlemen of moderate fortune, and to the clergy, to give an education to their children, at so easy a rate, in the elements of literary knowledge, has bestowed on this

part of the United Kingdom a political importance, to which it was neither entitled from the fertility of its soil, nor by the number of its inhabitants.

To the slight historical sketch which has now been given, I cannot help subjoining one observation before proceeding further. What I allude to is the additional motive which the foregoing considerations suggest to us, for a thankful acquiescence in our lot, under all the comparative disadvantages to which we are subject in this northern part of the island. That some of our political institutions are greatly inferior to those which exist among our southern neighbours, it is impossible to dispute. But, on the other hand, it must not be forgotten how much we owe, in several of the most essential articles of Political Economy, to the provident wisdom of our own ancestors. The subjects which have been under review in the course of these lectures, which are now about to conclude,* force on our notice a few of these so strongly, that I shall make no apology for taking this opportunity of recalling them once more to your recollection.

The *first* then is, That invaluable law, which has been justly called the charter of our agricultural prosperity; I mean the law which secures the *Longest Leases* against successors of every kind. This law was introduced into Scotland in the year 1449, under the reign of James II., though it was a great number of years afterwards before a similar measure was adopted in England. *Secondly*, That *General Enclosure Bill* which the landed interest of Scotland have enjoyed ever since the year 1695, and which it has been so long the object of an anxious, but ineffectual, wish to establish on the other side of the Tweed. *Thirdly*, That legal *Commutation for Tithes*, which was introduced here almost two centuries ago, and which has hitherto, notwithstanding the universal conviction of its essential utility to agricultural improvement, been considered, in the other part of the island, as an experiment difficult in the attempt, and in the last degree, perilous in the execution.

* [It will be recollected that Part II., or *Politics Proper*, was delivered by Mr. Stewart, in connexion, not with this Course, but with that of *Moral Philosophy*.]

Fourthly, Our system of *Poor-laws*, vesting not only the right of assessment, but the right of enrolling the proper objects of charitable aid, in the very persons by whom that aid is afforded. These laws, I must at the same time add, have been hitherto superseded in by far the greater part of the Kingdom, by a still more effectual provision for the poor, flowing from the voluntary contributions of the people. And *lastly*, perhaps chiefly, the laws now under consideration, which, by establishing a general plan of *Parochial Education*, have diffused among the great body of the people, a degree of light and knowledge unexampled in any other country of Europe.

I had just remarked, before entering on this short digression, the happy effects which the establishment of our parochial schools had, during the eighteenth century, on the morals and industry of our lower orders; an observation which, if our time permitted, it would be easy for me to illustrate, in a striking manner, by a comparison of the order and tranquillity now everywhere prevalent, with the crimes and anarchy of the preceding age. Not that I would ascribe this change to the parochial schools entirely, for a similar progress is observable in England, arising from causes which are common to both parts of the island,—the influence of good government, of commerce, and of manufactures. But that the influence of education has also been great, may be presumed from this circumstance, that although England had obtained the benefits of a regular government at a much earlier period than Scotland, the progress of national improvement was, by no means, so rapid there, or universal. This is particularly striking when we attend to the comparative attainments of the lower orders in the two countries; and it demonstrates, that in the present state of society, the diffusion of knowledge, even when assisted by the art of printing, will not be sufficient to secure the instruction of the lower orders, unless proper arrangements for that purpose are made on the part of Government.

In Professor Hume's *Commentary on the Criminal Law of Scotland*, it is said, "that on an average of thirty years preceding the year 1797, the executions for all Scotland have not exceeded

six in a year; while one quarter-sessions for the single town of Manchester, have sent more felons to the plantations than all the Scots Judges do for ordinary in a year."* "It might appear invidious," says Dr. Currie [of Liverpool,] in his remarks on this very striking assertion, "to attempt a calculation of the many thousand individuals in Manchester and its vicinity, who can neither read nor write. A majority of those who suffer the punishment of death for their crimes in every part of England are, it is believed, in this miserable state of ignorance."† In a printed letter, written by one of the late Sheriffs of London, dated in the month of June 1808, the following very interesting fact is mentioned in regard to the prisoners in Newgate. Out of 152, he says, two-thirds, at least, were unable to read or write. In farther confirmation of the same conclusions, the observation of the late Mr. Henry Fielding deserves our attention, that during the great number of years he presided at Bow Street, only six Scotchmen were brought before him. He used to say, that of the persons committed the greater part were Irish. Mr. Howard, too, long ago, took notice of the comparatively small number of prisoners which he found in Scotland and in Switzerland.‡

If we turn our eyes to other parts of Europe, we shall everywhere find bad morals and a spirit of insubordination accompanying general ignorance. In France, about thirty years ago, the accomplishment of reading seems by no means to have been general. In a work published by M. Daubenton, in the year 1782, under the title of *Instruction pour les Bergers*, there is a passage from which, I think, we may form some idea of the rarity of this acquirement. The work is written in the form of a Catechism; and the first question is, Whether it is necessary that a shepherd should be able to read? The answer is:—"A shepherd who can read possesses a superior facility in acquiring information; but this cannot be considered as indispensably necessary, since he may employ others to read

* [Introduction, p. l.]

† [See his *Burns's Works*, Vol. I. App. i. Note A.]

‡ [See Malthus, *On Population*, Book IV. chap. xii.; Vol. II. p. 496, edition 1806.]

for him what has been published for his instruction. He will be able, perhaps, to find some person in the same house with him, or at least in the neighbourhood, who can read, and who will be willing to instruct him. The schoolmaster in the village will do it for a trifling gratification; and sometimes a spirit of charity or of patriotism, will induce the curates or surgeons to undertake this good office." The facility with which the people of that country have been led to the commission of enormities of the most atrocious nature by the shallowest artifices of political intrigue, affords a sufficient answer to those who consider the ignorance of the lowest classes as the surest pledge of their submission to established authority; or if any farther illustration be required of the truth of this principle, it may be found still nearer home. Mr. Edgeworth, in a speech as Chairman of a Committee appointed in the last Session of the Irish Parliament, to inquire into the state of education in that kingdom, notices the difference between the lower orders of Scotland and those of Ireland in this respect, a difference which he ascribes to the superior education of the former. A general conviction of the truths stated by Mr. Edgeworth, seems now to be prevalent among the most enlightened parts of the Irish nation. And an attempt was made, during the two last Sessions of the Irish Parliament, in consequence of the eloquent representations of this able and patriotic gentleman, to apply a remedy to the evil. It gives me much pleasure to learn, that the same important project continues still to be prosecuted under the superintendence of a Board of Education, of which he is an active and distinguished member.

The same happy effects which have been experienced in Scotland, from the instruction of the lower orders, have been felt in particular cantons of Switzerland, and in some parts of the United States of America. In this last country, these effects are likely to be extended still farther, as all its most distinguished writers at present concur in recommending a still more minute and systematical attention to this object, as the most effectual security which their Legislature can provide, for the morals of the people and the stability of their Government.

With the advantages, indeed, of general instruction, now common in America, another circumstance by which it is distinguished at present from the European nations, operates strongly in its favour; I mean the facility with which, in consequence of the liberal reward of labour, the lower orders are able to rear families. How much this must contribute to diminish the number of crimes, may be judged of by the results which we witness among ourselves in times of scarcity. In America, such is the effect of instruction, combined with abundance, that Mr. Adams mentions it as the peculiar happiness of his countrymen, that they are quite unable to form an idea of that class of men which in Europe we denominate the mob. If the accounts of some of our travellers may be trusted, the present situation of the American States is not so favourable to the improvement of the opulent and ambitious orders of the people, as to that of the more humble and laborious classes.

I before took notice [*supra*, pp. 330, 333] of the general inattention to the situation of the lower orders which prevails over the Continent of Europe. A few exceptions do, indeed, occur in some countries; but in the majority of these, the beneficial tendency of instruction has been powerfully counteracted by certain unfortunate circumstances in the political condition of the people. Such, according to Mr. Coxe's account, would appear to be the present situation of Denmark.

"Besides the Universities of Copenhagen and Kiel, there is an academy at Soroe, and two gymnasia at Odensee and Altona, and a seminary for Laplanders at Berghen in Norway. There are various Latin schools maintained at the expense of the Crown: nineteen in Denmark Proper, four in Norway, eleven in Schleswick, sixteen in Holstein, and two in Iceland. The largest schools have a *Rector*, or upper master; a *Corrector*, or lower master; and two or three *Collegæ scholæ*, or assistants; the smallest have only a rector. The salaries of the masters vary from £60 to £200 a year.

"Each parish also is provided with two or three schools for the Danish tongue, where children are instructed in reading, writing, and arithmetic. These country schoolmasters have in

general a salary of about £12 per annum, a house, and a few other advantages.

"I must also mention two schools at Copenhagen for the children of the nobility and gentry, who are unable to bear the expense of a proper education. One is for boys, and the other for females. That for boys is under the direction of Professor Treschow, chaplain of the garrison church at Copenhagen, a gentleman of considerable erudition, who, considering it as an act of charity, receives no recompense for his trouble. An inspector has £60 per annum. The day-scholars pay only £6 a year, and the boarders £20. They learn history, geography, and arithmetic; are instructed in the articles of their religion; and have masters for the German, French, and English languages."*

The most remarkable instance, however, which the Continent of Europe perhaps presents, of an increasing attention to the education of the lower orders, and that on the most enlightened and liberal principle, occurs in some parts of Germany, and for this improvement, the world is chiefly indebted to the exertions of Frederick the Great of Prussia. An interesting account of the seminaries which he was the means of establishing in Silesia, and which have been copied in some other countries, in consequence of the experience of their beneficial effects, may be found in a work published some years ago by Mr. Quincey Adams, then minister from the United States at the Court of Berlin. A Silesian historian, noticed by Mr. Adams, compares its effects to those produced by the reformation of Luther. It was found, accordingly, that the Roman Catholic clergy combined in opposing it. "Their indolence was averse to the new and troublesome duty imposed on them. Their zeal was alarmed at the danger arising from this dispersion of light to the stability of their Church. They considered alike the spirit of innovation, and the spirit of inquiry, as their natural enemies."†

* [*Travels in Poland, Russia, Sweden, and Denmark*, Book VIII. chap. iv.; Vol. II. pp. 555, 556, edit. 1784.]

† [*Letters on Silesia*, 1804. Letter xli. p. 369.]

In mentioning in my last lecture, the attention which has been paid to education in some parts of America, I neglected to take notice of a very beautiful idea suggested by the Committee of the first Virginian Assembly which met after the establishment of the New Government. The business entrusted to the Committee was, to revise the code of laws, and to reduce it into a more convenient form. The work was actually executed by the Committee, but I do not know how far their proposed alterations were adopted. From the last accounts which I have seen, it would appear, that the plan I am now to describe has not as yet been brought to the test of experience. According to this project, every county was to be divided into small districts, of five or six miles square, to be called hundreds; and in each of them, a school was to be established for teaching reading, writing, and arithmetic; the teachers were to be supported by the hundred, and every person in it to be entitled to send his children to school for three years gratis, and as much longer afterwards as he might choose on paying for it; these schools to be under the superintendence of a visitor who should annually choose a boy of the most promising genius, to whom it should be determined to give farther education, and to send him forward to one of those [higher ?] schools, of which twenty were to be erected in different parts, for teaching, gratis, Latin and the higher branches of arithmetic. Out of the boys thus sent forward in a year, trial was to be made for one or two years, and one boy should be continued six years longer. "By these means," says the *Report*, "twenty boys of the most promising talents will be raked annually from the rubbish." The ultimate result of this scheme of education, to use the words of Mr. Jefferson, "would be, to furnish to parents, in easy circumstances, convenient schools where their children might be taught."

I know that many objections will immediately present themselves against such a proposal as this, and that some even of those who admit the reasonableness of extending among the poor, a knowledge of reading, writing, and arithmetic, will be startled at a plan which they may suppose calculated to inspire

the labouring orders with views of literary ambition unsuitable to their condition. The truth, however, is, that so far as this is an evil, the plan in question has a tendency to correct it; for, while it affords the means of improvement to such as are designed by nature for intellectual eminence, it discourages that preposterous vanity which crowds the learned professions with men who were obviously intended for other occupations. Similar objections have been frequently urged against those establishments in Europe, which are calculated to lower the price of literary education; and it has even been supposed, that they have the effect of withdrawing all men too much from the laborious professions, to a life of speculation. But surely a disinterested love of science and of literature is not to be numbered among the predominant passions of the present age; and as to the honours and emoluments which attend a literary life, how few individuals are to be found who prefer these to the scramble of political intrigue, or the solid earnings of commercial industry? It is, indeed, wisely ordered by Providence, in every age and state of society, that while a small number of minds are captivated with the delights of study, the great mass of the people are urged by much more irresistible motives, to take a share in the active concerns of human life. The same wisdom which regulates the physical condition of man, watches also over all the other circumstances of his destiny; and as it preserves invariable that balance of the sexes which is most favourable to human happiness, so it mingles, in their due proportions, the elements of those moral and intellectual qualities in the character of different men, on which the order of society depends. To vary these proportions by legislative arrangements, is not surely, in any instance, the business of an enlightened statesman, and least of all in those cases where the establishments in question may have the effect to bring into activity those seeds of genius which are so sparingly sown among the human race, and which, with careful cultivation, might be ripened into a harvest to bless and improve generations yet unborn.

And here, I cannot resist the opportunity which my present

subject affords me, of remarking the effects to be expected from a general diffusion of information on the progress of science, effects which are not proportioned merely to the increased number of cultivated minds thus engaged in the investigation of truth, but to this circumstance, combined with all the advantages which are gained by the division and distribution of intellectual labour. Mr. Smith, in his *Inquiry into the Nature and Causes of the Wealth of Nations*,* has explained, with great ingenuity, and with peculiar felicity of illustration, in what manner the division of labour in the mechanical arts increases the productive powers of human industry. The advantages, however, which are gained in the pursuits of science in consequence of the operation of similar circumstances, are incomparably greater. Different individuals are led, partly by original constitution, and partly by early education, to betake themselves to different studies, and hence arise those infinitely diversified capacities of mind, which we naturally call diversities of genius. These diversities of genius, in consequence of the mutual connexion among the various branches of literary knowledge, are all subservient to one another; and when the productions to which they give birth are converted into a common stock, as they now are by means of the press, all the varieties of intellect, natural and acquired, among men, aided by all the assistance they derive from the lights which they mutually impart, may be said to be combined together into one great machine, for advancing the means of human knowledge and happiness.

The circumstance, however, which constitutes the chief distinction between the division of labour in the mechanical arts and in the intellectual employments, is this:—that in the former, the number of individuals who can be made to contribute their labours to a common stock, is comparatively limited; whereas, in the latter, a combination is formed, by means of the press, among all the powers which genius and industry can display in the most remote ages and nations. How many trains of sublime and beautiful imagery have been kindled in

* [Book I. chap. i.; Vol. I. p. 6, *seq.*, tenth edition.]

the minds of our modern poets, by sparks struck out by Homer or by Hesiod! And not to speak of the mighty effects produced in the Christian world by the truths of Revelation, what an accession to the happiness of many individuals now existing on the globe, may be traced to the *Meditations* of Marcus Aurelius, to the *Maxims* of Confucius, or to the familiar sayings which fell from the lips of Socrates on the streets of Athens.

In those scientific pursuits, however, which rest on observation and experiment, and where the reasoning powers are alone concerned, a mutual communication of lights is of still greater importance than in works of imagination, by reason that here, the force of a single mind, how great soever its superiority over that of other men, can accomplish but little in comparison with the united exertions of a number of different individuals. Nor, perhaps, have the most liberal contributors to the present stock of scientific knowledge been themselves aware, when following the impulse of a merely speculative curiosity, what a rich harvest they were sowing for a distant posterity. The truth is, that the value of every new fact and theory, however insulated it may be at present, may eventually be incalculably great, inasmuch as he who has the merit of suggesting either the one or the other, puts in motion the whole of the machine, to whose possible effects no human sagacity can fix a limit. How little was it supposed by Apollonius or Archimedes, when pursuing the objects of mathematical study, that they were preparing a torch which was destined, after an interval of two thousand years, to shed the light of day on the most obscure recesses of nature.

Nor is it only in the sublimer exertions of imagination or invention, that we may trace the effects of this division and distribution of labour on human improvement. What Mr. Smith has so well remarked* concerning the astonishing multiplicity of arts, which contribute their share in furnishing a peasant with his coarse woollen coat, will be found applicable, in a far greater degree, to the means which contribute to the improvement of his comparatively uncultivated understanding.

* [Ibid. p. 17.]

In the former instance, something like an enumeration may be attempted; but who can form the most distant conception of the number of minds which must have united their powers in discovering and familiarizing to the apprehensions of the multitude, those elementary truths in morality, in physics, in mechanics, and in natural history, which the lowest of the people, in the present state of European society, derive insensibly from parental instruction, or from the observation and imitation of the arts which are practised around them.

I shall make no apology for this digression, into which I have been insensibly led. In the few remarks which I have yet to add, I shall confine my attention to the only view of the subject which is immediately connected with the plan of the foregoing lectures;—the importance of extending the means of an elementary education, not with a view to the discovery or embellishment of natural genius, but as the best security for the morals and good order of the community.

In this point of view, supposing all the necessary arrangements to be made, much remains to be done for the improvement and reformation of the established modes of instruction. One very important step of this kind appears to have been lately made in England, with singular success, by Mr. Lancaster, whose very valuable pamphlet, containing an account of the details of his plan, I must content myself at present with merely recommending to your attention. The following particulars, which I mention merely as proofs of its practicability, I extract from a letter which I received a few years ago (April 1805) from a friend in London, [Mr. Francis Horner,] to whom I was indebted for the first intelligence of this interesting establishment:—

"I take an opportunity of sending you two pamphlets on the education of the lower orders, written by a Quaker practically engaged in that occupation upon a very extensive scale; whose institution has excited a great interest among the people in London, that can be interested by such things. You will form a pretty correct idea of his method from his own account of it in these tracts; I have visited his school, and it exhibits

a sufficient and very pleasing proof of its practicability. He seems to have introduced, or at least reduced more to system, one or two important principles, which are very little attended to in the ordinary course of elementary education. His scheme of rewards and of punishment, chiefly by withdrawing or delaying rewards, is both ingenious and very humane, and he has given greater activity to the emulation of children than is commonly done. Nothing can be more pleasing than on going into this school, that you discover nothing of the languor and sickly idleness which make a common parish school so melancholy to see. He has got a library too of almost three hundred volumes, in which there are books from Mrs. Trimmer up to the lives of the Admirals and Cook's Voyages, and the boys get these to take home with them from week to week. The man owned to me, that his boys always preferred the works of adventure or fun, to scientific dialogues."*

Besides improvements of this sort, calculated to facilitate and cheapen the common modes of teaching, and which, I am persuaded, have not as yet attained to all that perfection of which they are susceptible, a most important desideratum for completing the business of popular instruction yet remains, in the multiplication and the circulation of books judiciously adapted to the capacities and to the circumstances of men destined for the inferior situations of society. The number of books which have been produced of late years by persons of genius and learning, for the instruction of the rising generation, do honour to the enlightened benevolence of the present times; and it would be a task not less important, nor less worthy of a philosophical mind, to diffuse among the multitude such truths as may render them happier and better. It is, in fact, an act of justice which we owe to those who relieve us from the necessity of bodily labour, to impart to them, in return, some small share of the advantages which we derive from the undivided attention they enable us to bestow on the culture of the understanding. Although, however, a great deal still

* [This letter appears also in the *Memoirs and Correspondence of Francis Horner*, Vol. I. p. 312.]

remains in prospect to animate our exertions, much must be admitted to have been already done in this way. Mr. Locke's *Treatise on Education*, and the books which have been since published with similar views, have had no inconsiderable effect in turning the attention of parents to objects of real utility; and, what is scarcely of less consequence in pointing out to them the frivolousness of those scholastic studies which entered formerly, more or less, into the most limited plans of instruction. The improvement which, in this respect, is daily taking place, promises in time the happiest consequences. The number of readers is, I believe, in every part of our island, rapidly on the increase, and to these, useful knowledge is every day presented in forms more and more accessible, and more and more alluring.

One circumstance which, indeed, has been operating more or less ever since the period of the Protestant Reformation, but which, in our times, has acted with peculiar effect, may not be undeserving of notice: I mean the wide circulation of occasional pamphlets, and of periodical journals,—those cheap and enticing vehicles of information, which adapt themselves to the rapid, and often capricious changes of general curiosity, and communicate, even to the indolent and dissipated, some imperfect knowledge of the course of political events, and of the progress of scientific improvement. The advantages which some of these fugitive compilations derive from their familiar style and regular publication, are abundantly obvious. A late eminent mathematician, in speaking of a periodical work commenced in the year 1704, under the title of the *Ladies' Diary*, and which, among a collection of rebusses and acrostics, contained some ingenious mathematical problems, assorted promiscuously, said, "that this small performance has contributed more to the study and improvement of mathematics over England, than one-half of the books professedly written on the subject." What, then, may be supposed to be the influence of similar works conducted by men of superior genius and learning, and which address the public on subjects much more immediately connected with the business of human life?

" The people," as an eloquent writer observes, " cannot be profound, but the truths which regulate the moral and political relations of man, are at no great distance from the surface. The great works in which discoveries are contained cannot be read by the people, but their substance passes, through a variety of minute and circuitous channels, to the shop and the hamlet. The conversion of the works of unproductive splendour, into latent use and unobserved activity, resembles the process of nature in the external world. The expanse of a noble lake, the course of a majestic river, imposes on the imagination by every impression of dignity and sublimity. But it is the moisture that insensibly arises from them, which, gradually mingling with the soil, nourishes all the luxuriance of vegetation, fructifies and adorns the surface of the earth."

Some other causes, too, which naturally result from the progress of society, have conspired, with the circumstances now under our consideration, in extending and quickening the circulation of knowledge. The multiplication of high-roads, and the establishment of regular posts and couriers, have virtually contracted the dimensions of all the countries which have adopted them, communicating to them the advantages arising from the intimate relations and contagious public spirit of a small society, together with the power and influence connected with a numerous community, spread over an extended territory.

In order to damp the pleasing prospects inspired by these considerations, it has often been alleged, that in proportion as knowledge advances and spreads, originality of genius fails, and what is gained in the number, is lost at least in the parts and eminence of literary characters. Voltaire has, I think, placed this fact in its proper light, by remarking that " original genius occurs but seldom in a nation where the literary taste is formed. The number of cultivated minds which there abound, like the trees in a thick and flourishing forest, prevent any single individual from rearing his head far above the rest. Where trade is in few hands, we meet with a small number of overgrown fortunes in the midst of a general poverty. In proportion as it extends, opulence becomes general, and great for-

tunes rare. It is precisely," he adds, "because there is at present much light and much cultivation in France, that we are led to complain of the want of original genius."

In this remark of Voltaire, it seems to be implied, that the apparent rarity of genius in times of general cultivation, is partly owing to the great number of individuals who, by rising above the ordinary standard, diminish the effect of those who have attained to a still greater eminence. But granting the fact to be as it is commonly stated, that the diffusion of knowledge is accompanied with a real decline in point of genius, no inference can be deduced from this, in favour of less enlightened ages; for the happiness of mankind, at any particular period, is not to be estimated by the materials which it affords for literary history, but by the degree in which it imparts the capacity for enlightened enjoyment to the community at large. In this point of view, what a spectacle does the situation of our own island afford during the last forty years, literary and agricultural societies arising in various provincial towns, and a multitude of female authors in every department of science and taste, disputing the palm of excellence with the most celebrated of the other sex. Among such a profusion of productions, there will, no doubt, be much to call forth and to justify the severity of criticism; but the philosopher traces with pleasure, in the humblest attempts to instruct or to amuse, the progress of science and of patriotism in widening the circle of their operation; and even where he finds little to admire or approve, he is pleased to observe the engagements of study, and an active and enlightened spirit of inquiry, no longer confined to the walks of academical retirement, but displaying themselves both amidst the employments of private life; and on the great theatre of political ambition.

Still, however, the question recurs, are the morals of men improved, and their enjoyments increased in proportion as the cultivation of taste and learning advances? Various doubts have been suggested on this subject, particularly of late years. But I confess, for my own part, I am disposed, without the smallest hesitation, to answer the question in the affirmative.

In support of this opinion, I would remark, in the first place, (for I must touch very slightly on the subject,) the advantage which all classes of men derive from a taste for books, considered merely as a *resource*, and without any regard to their practical effects on the concerns of their life, or on their speculative views. With respect to the higher orders of men, I presume this scarcely admits of a doubt. And yet it holds with still greater force, if possible, in the case of those who subsist by the labour of their hands. In almost every species of employment, a considerable part of every day must be devoted to bodily relaxation and repose; and unless some exercise or amusement be provided for the mind during these intervals of occupation, they will necessarily be filled up with intemperance and profligacy. The task of speculation is far beyond the capacity of those who have not received the advantages of education, and indeed, is of all efforts the most painful, where the curiosity has not been excited and the faculties exercised in very early life. Such, at the same time, is the activity of nature, that a state of perfect lassitude and indolence is the completion of suffering, and seldom fails to suggest some expedient, however desperate, to remove its pressure. Hence the indolence and languor of the savage, when his bodily powers are unemployed, and hence that vacuity of thought which prompts him to rush into the agitations of gaming, or the delirium of intoxication.

All this will apply, more or less, to uncultivated minds in every state of society, and can be prevented only by those early habits of mental application, which render some degree of intellectual exertion a sort of want or necessary of life. Nor is it merely in this view that early instruction operates beneficially. Wherever the lower orders enjoy the benefits of education, they will be found to be comparatively sober and industrious; and in many instances, the establishment of a small library in the neighbourhood of a manufactory, has been known to produce a sensible and rapid improvement in the morals of the work people. The cultivation of mind, too, which books communicate, naturally inspires that desire and

hope of advancement, which, in all the classes of society, is the most steady and powerful motive to economy and industry. The book societies which have arisen in different parts of Scotland, England, and America, abundantly illustrate and confirm the truth of this observation.

It is not, however, merely as a resource against "the pains and penalties of idleness," that a taste for books and speculation is favourable to the morals and industry of the lower orders. The great source of that vice and misery which prevail among them, is to be found in their prejudices and speculative errors; and every addition which is made to the stock of human knowledge, has a tendency to augment their virtue and their happiness. The exceptions which seem to contradict the universality of this truth, would, I am persuaded, be found, upon examination, to be rather apparent than real. It cannot be disputed, that there are various prejudices, both political and moral, which seem to be favourable to the best interests of mankind, and which a philosopher who wishes well to the world, would touch with a very cautious and timorous hand. But in such cases it will always be found, that every prejudice derives its utility from some mixture which it involves of important truth. The truth probably was, in the first instance, suggested by its congeniality with the principles of human nature, and served to protect the prejudice. But frequently, this order of things comes to be reversed, and the prejudice has the appearance of being essentially necessary for the support of the truth. In instances of this kind, there is the utmost danger in attempting to loosen the foundations of established opinion, lest we should weaken the influence of what is true and salutary, in a greater proportion than we correct what is hurtful or erroneous, or, as it is expressed in the sacred writings, "lest in pulling up the tares, we root up the wheat also." In acting, however, on this opinion, it is obvious that far from considering error as more useful to the world than truth, the deference which we find it expedient to pay to the former, is founded entirely on our conviction of the certain

blessings which are connected with the prevailing authority of the latter.

The progress made in Political Economy during the course of the last century, affords the most luminous illustration of the truth of some of the foregoing remarks. Every step which has hitherto been gained in that science, has discovered to the world some delusive project or erroneous opinion, counteracting human happiness, and even counteracting the partial interests of those by whom the project or opinion was fostered and encouraged. And in proportion as its general principles assume somewhat of a systematical form, the connexion between the interests of individuals and the national prosperity, and the still more unexpected connexion between the prosperity of nations and that of neighbouring communities, becomes more and more apparent. The whole of Mr. Smith's political writings, in particular, may be considered as a commentary on this great maxim, that *in the case of nations, as well as of individuals, Honesty is the best and surest Policy;* or what amounts nearly to the same thing, that while our inquiries are guided alone by a sense of justice, and by a dispassionate love of truth, our conclusions must be favourable to the best interests of mankind. Such speculations tend at once to enlarge the understanding, and to amend the heart, exhibiting a union and harmony among the principles of political speculation, while they add powerfully to the authority of virtue, and animate every worthy motive to exertion. They stimulate, more especially, our efforts to instruct and to enlighten the world, and by teaching us to regard the cause of truth and the welfare of our species as inseparably connected, they unite in checking the influence of those partial and mistaken conceptions of expediency which oppose so many obstacles to the progress of society. To those whose minds are familiarized to this view of human affairs, the following sentiments of an English divine,* equally distinguished by his learning and by the classical elegance of his style, will appear to be as just and profound

* [Dr. Conyers Middleton. See Preface to his *Works*.]

as they are forcibly and beautifully expressed; and with this passage, which accords so completely with my own opinions, I shall now close this course of Lectures:*—"I persuade myself, that the life and faculties of man, at the best but short and limited, cannot be employed more rationally or laudably, than in the search of knowledge, and especially of that sort which relates to our duty, and conduces to our happiness. I look upon the discovery of anything which is true, as a valuable acquisition to society, which cannot possibly hurt or obstruct the good effect of any other truth whatsoever, for they all partake of one common essence, and necessarily coincide with each other; and, like the drops of rain which fall separately into the river, mix themselves at once with the stream, and strengthen the general current."—(*End of interpolation from Notes.*)

* [See footnotes on pp. 326, 351 of this volume, *et alibi*. In general, the reader will observe, that use has, more than once, been made of this Book of the *Political Economy*, especially towards its close, in the Third Part of the *Dissertation*. (*Works*, Vol. I.)]

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[PART SECOND.]

[OF THE THEORY OF GOVERNMENT, OR POLITICS PROPER.*]

[CHAPTER I.]

OF THE SIMPLE FORMS OF GOVERNMENT.

[SECT. I.]—INTRODUCTION.

[SUBSECT. I.—*Of the Legislative, Judicial, and Executive Powers.*]

BEFORE I proceed to make any remarks on the different forms of Government, it is proper to observe in general, that in every political establishment the laws must be *enacted, interpreted,* and *executed.* Hence, the functions of Government are three, *Legislation, Jurisdiction,* and *Execution.* Some writers comprehend the two last under the head of *Execution,* but the former division is the more distinct, and is now almost universally followed. It will afterwards appear, that the great object of the *Theory of Government* is to separate and distribute these powers properly, so as to guard against the abuses to which they might otherwise be liable; more particularly to

* [It will be observed, that in relegating the discussion on the *Theory of Government,* or *Politics Proper,* to this *Second* Part, I am deviating from the order which may seem to have been preferred by Mr. Stewart in the *last* corrected copy of these Lectures; (see p. xii. of Editorial Advertisement prefixed to their Vol. I.) The reason, in fact the necessity, of this change is explained in notes * and relative texts at pp. 21, 24, and 29 of that volume. It is also to be remembered that this second section of the Lectures on *Political Economy,* to wit, *Politics Proper,* was delivered by Mr. Stewart as pertaining to his course of *Moral Philosophy.*]

organize the *Legislative* power, which, wherever it is freely and independently exercised, possesses, from its nature, a supremacy both over the *Judicial* and the *Executive*. It will also appear, that these ends can only be accomplished by a *mixed government;* that is, by a system of policy which combines the simple forms in such a manner as to correct the inconveniences which, in their separate states, they seem all to threaten. Instead, therefore, of beginning with the abstract consideration of the *functions* of government, it appears to me to be a more natural and intelligible arrangement, to introduce the general principles which I have to state concerning the division and distribution of powers, under those heads of the subject which are best calculated to illustrate their practical application. In the meantime, I shall only observe, that this doctrine of the division and distribution of Powers is very ingeniously illustrated by Montesquieu,* and that some of his fundamental principles are ably and eloquently commented on by Mr. Ferguson in his *Essay on the History of Civil Society.*†

[SUBSECT. II.—*Of the Simple Forms of Government in Theory and in general.*]

The ancient Politicians enumerated *three* simple forms of government,—Democracy, Aristocracy, and Monarchy. In the first of these the sovereign power is supposed to be lodged in the *whole body of the people;* in the second, in *one particular order,* (such as a *body of nobility* in some of the governments of modern Europe;) in the third, in *a single person.*

Montesquieu‡ likewise reduces the forms of government to *three,* the *Republican,* the *Aristocratical,* and the *Monarchical.* The Republican he defines in such a manner, as to comprehend both Democracy and Aristocracy. "It is a form of government," says he, "in which the whole body of the people, or *a part of the body of the people,* has the supreme power."§ I

* [In his *Esprit des Loix,* Liv. II., &c.]

† [Part I. sect. x. p. 108, *seq.,* sixth edition.]

‡ [*Esprit des Loix,* Liv. II. chap. i.]

§ [Ibid.]

think it better for me, however, to follow the ancient Politicians in this particular, stating these two forms of government as essentially distinct, and assigning an appropriate definition to each. And, indeed, I cannot easily conceive what induced Montesquieu to confound them together under one generic term; when he was so completely aware of the striking contrast they present in their spirit and tendency.

Montesquieu* distinguishes Monarchy from Despotism; and the distinction is, undoubtedly, solid and important. I think, however, it may bear dispute, whether *Monarchy* (by which he means limited Monarchy) should have a place among the *simple* forms, as the limitations of the sovereign power can only arise from a *mixture* in the government; and, therefore, I shall, in this instance, also, follow the arrangement of the ancients, excluding *limited Monarchy* from my enumeration of the *simple* forms, and employing the word *Monarchy* (while I am treating of these) as synonymous with *Despotism*. Montesquieu was led to add *limited Monarchy* to the ancient enumeration by the history of Modern Europe, which has afforded examples of such governments, moderated and restrained by checks, of the nature and efficacy of which the Politicians of former times were unable to form an idea. To what purposes this speculation concerning the *simple forms* is subservient, will, I hope, appear sufficiently from the following considerations.

I before observed, that, as the political establishments which have actually taken place in the history of mankind, have been all distinguished from each other by various peculiarities, and as their number exceeds the comprehension of our limited faculties, it becomes necessary for those who wish to make them an object of study, to abstract from their more minute differences, and to reduce them to general classes according to their prevailing tendency. By doing so, while we circumscribe the field of observation, and abridge the labour of minute research, we gain another advantage of the utmost importance to the

* [See *Esprit des Loix*, Liv. II. chap. iv.]

justness and comprehensiveness of our conclusions,—that of separating what appears to be *essential* from accessory circumstances of a more secondary and incidental nature. Abstractions and classifications of a similar kind are found to be useful in examining all other subjects of observation, which are very complicated in their details; in examining, for example, the agricultural qualities of different soils, the medical peculiarities of different constitutional temperaments, or the intellectual and moral varieties of human character.

It does not furnish any objection to this view of the subject, that *no* governments are to be found among mankind corresponding exactly to the definitions which are now to be given. Notwithstanding the diversity of political establishments, when we come to examine the *subordinate details* of their administration, they may all be resolved or analyzed (as far as the *spirit* of the government is concerned) into *three simple governing powers;* inasmuch as all power must be exercised, either by *a single person,* or by *a select body,* or by *the mass of the people;* and these governing powers, although, in fact, always more or less blended together, may be *conceived* to exist *apart,* exhibiting their peculiar and characteristic tendencies, without any checks or modifications. In this manner, the nature and effects of each may be expected to be more clearly and distinctly comprehended than when they are all studied in their joint results; and the conclusions we thus obtain may serve as general maxims or principles, to fix the attention and guide the judgment in the examination and comparison of the complex forms exhibited in the history of human affairs. It is with a view somewhat analogous to this, that, in the *theory of mechanics,* we begin with studying the *simple mechanical powers,* before we proceed to the study of their various combinations, as they are exemplified in the contrivances of the engineer; and it is thus that the effects of these engines, even in their most complicated forms, are easily subjected to computation, when the theory of those simple powers, which enter into their composition, has been previously familiarized to the mind.

[SECT. II.—OF THE SIMPLE FORMS OF GOVERNMENT IN SPECIAL.]

[SUBSECT. I.]—*Of Democracy and Democratic States.*

From the foregoing observations, it may be easily inferred, that as no governments are to be found, *actually* existing, which correspond exactly to the general definitions of *Democracy*, *Aristocracy*, and *Monarchy*, these definitions are to be understood as expressing merely *ideal constitutions*, which exist nowhere but in the imagination of the speculative politician. The fact is, that all the governments we know are *mixed* governments; and, perhaps, it may even be asserted, that every government contains some mixture, in a greater or less proportion, of *all* the three simple forms. In some, however, the power of the people is much greater than in others, where, by a train of accidents, it has been gradually brought under subjection to the body of the nobles, or to a single monarch; and, in like manner, where the popular branch of the government is comparatively feeble and insignificant, constitutions may differ very widely from each other, according as the supreme authority is exercised by *an individual*, by *a few*, or by *a multitude of rulers*. Now, the words *Democracy*, *Aristocracy*, and *Monarchy*, are commonly employed, in a loose and popular way, to express to which of the simple forms a particular government approaches most nearly, or which of the three *governing powers* prevails in its constitution.

I mention this circumstance, because, in treating of the simple forms, I only follow the example of Montesquieu and all other theoretical Politicians, who are obliged to borrow their illustrations from those which are *mixed in fact*. This consideration, however, does not render these illustrations the less applicable to the support of their general principles; as the inconveniences resulting from those governments in which any one of the simple forms predominates beyond its due proportion, would be felt still *more* severely, if this simple form existed altogether pure and unmixed. The conclusions, therefore, resulting from such facts are applicable, *a fortiori*, to

the theoretical view of Governments which these authors have exhibited.

In treating of *Democracy*, I shall begin with the consideration of a State, approaching as nearly to the definition as possible; but, as the subject when considered in this light affords a very narrow field for speculation, I shall proceed, after a very few general observations, to remark the various deviations from the standard that experience has suggested, in order to remedy its inconveniences, and, at the same time, to maintain the ascendency of the people, by excluding every tendency to the other forms of government.[1]

First, then, it may be observed, that when the supreme power in a Democracy is said to be vested in the people, it is not to be supposed that each man is his own master; for in every form of government whatever, it must be universally understood, that the minority are to abide by the determinations of the majority. If they do not, Government is at an end, and men are left in a state of anarchy. It is evident, therefore, that this is a limit beyond which Democracy cannot be carried even in theory.

I do not know, however, that this theory has ever been exactly realized in the history of mankind; or, in other words, that there has ever been a constitution in which the people met together on every affair of public concern, and where the majority exercised in their own persons all the functions of government. Indeed, we may venture to assert that no such thing ever existed; and, therefore, if we wish our reasonings to apply to facts, we must enlarge somewhat our definition of Democracy.

"As to popular government, in the strictest sense," says [Algernon] Sidney, "that is pure Democracy; where the people in themselves, and by themselves, perform all that belongs to government, I know of no such thing."[2] And in another passage, "Being no way concerned in the defence of Democracy, I

[1] Consult Filangieri, [*Scienza della Legislazione*,] Vol. I. p. 121.

[2] [*Discourses of Government*,] p. 160.

may leave our knight, like Don Quixote, fighting against the phantasms of his own brain, and saying what he pleases against such Governments as never were, unless in such a place as San Marino, near Sinigaglia in Italy, where a hundred clowns govern a barbarous rock that no man invades, and relates nothing to our question."[1] He might have added, that San Marino is by no means a pure Democracy, according to the general definition, as sufficiently appears from Addison's account of it.

The same author, (Sidney,) after remarking, that every good government is a mixture of all the three forms, adds;—"More ignorance surely cannot be expressed than by giving the name of *Democracy* to those governments that are composed of the three simple species; for in a *strict* sense, it can only suit with those where the people retain to themselves the administration of the supreme power; and merely *largely*, when the popular part, as in Athens, greatly overbalances the other two, and the denomination is taken from the prevailing part."[2]

From these considerations we may infer, that the most perfect Democracy which can be realized, must admit of certain delegations of power to select councils, or to individual magistrates. At the same time, to entitle a constitution to the name of Democracy, even in the more extensive sense of the word, it seems to be essential to it, that the people should appoint the councils and the magistrates, and that every person who exercises power in the State, should be accountable to the people for his conduct. This, I apprehend, forms the definition of *as* perfect a Democracy as is compatible, even *in theory*, with the circumstances of mankind;—and of a Democracy much *more* perfect, than seems to be compatible with the imperfections inseparable from human character, when men are called on to act in a corporate or political capacity.

In some Democracies, it has been thought necessary, on account of the *numbers*, to delegate, at least for a time, even the *Legislative power;* or, in other words, the Sovereignty of the state. At Rome and Athens, the determinations of the Senate

[1] [Ibid.] p. 165. [2] [Ibid.] p. 258.

had the force of a law for a year, but to render them perpetual, the sanction of the people was necessary.

As the determinations of the people in their public assemblies must be ascertained by their votes, and as it is these determinations which constitute *law*, Montesquieu reckons, among the fundamental laws of a Republic, those which fix the *number of voters*, and the *manner of collecting their suffrages*. "In this form of government," says he, "it is as important to fix, in what manner, and by whom the suffrages are to be given, as it is in a limited monarchy to know who is the prince, and after what manner he ought to govern."* Of this prerogative of legislation, the Athenians were so jealous that they punished with death any stranger who presumed to intrude himself into an assembly of the people.

In Sparta the number of citizens forming the public assembly was fixed at ten thousand. In Rome the number never was fixed, and this circumstance is considered by Montesquieu as one of the principal causes of her ruin.

It has been disputed among political writers, in what manner the suffrages of the people should be given; in particular, whether they should be *public* or *private*. Montesquieu decides that they should be public, and that this should be a fundamental law in a Democracy. "The body of the people," he observes, "ought to be directed by those of better education, and to be restrained within bounds by a respect for the opinion of their superiors."† At Athens the people voted by holding up their hands; at Rome, towards the conclusion of the Republic, different laws were passed called *Leges Tabellariæ*, which rendered the suffrages of the people secret. Two tablets were presented to each citizen—the first marked with an "A" for "*Antiquo*," or "I forbid it;" and the other with a "U" and "R," for "*Uti rogas*," "Be it as you desire." Cicero tells us in his oration *Pro Plancio*, that the people were fond of this method of voting. "Populo grata est Tabella, quæ frontes *aperit*, hominum mentes *tegit;* datque eam libertatem, ut quod velint faciant."[1] The same author, in his Third

* [*Esprit des Loix*, Liv. II. chap. ii.] † [Ibid.] [1] Cap. vi.

Book, *De Legibus*, considers these laws as having contributed to the decay of the Republic. "Quis autem non sentit, auctoritatem omnem Optimatium Tabellariam legem abstulisse?—quam populus liber nunquam desideravit, idem oppressus dominatu ac potentia principum, flagitavit. . . . Itaque isti rationi neque lator quisquam est inventus, nec auctor unquam bonus. Sunt enim quatuor leges Tabellariæ." In this passage he also makes it a principle in his imaginary Commonwealth: "*Suffragia esse nota Optimatibus, Populo libera.* . . . Qua lege, libertatis species datur, bonorum auctoritas retinetur."[1]

Montesquieu indeed observes, that in an Aristocracy when the body of the nobles are to vote, the suffrages cannot be too secret, for there, the great object is to exclude intrigue and faction; but in a Democracy, while the people retain their zeal for the public, these are unavoidable; and indeed, when they disappear altogether, it is a mortal symptom of the constitution.*

As it is the object of a Democracy to preserve as great an equality among the citizens as is consistent with political order, it is necessary to take some precautions against the growth of particular families,—a circumstance which can hardly fail to happen in process of time, whatever rules are adopted with respect to the transmission of property. Lycurgus and Romulus, and some other ancient legislators, are said to have made an equal division of lands. It is evident that such a measure could only be executed in some very unusual combinations of circumstances. But supposing the thing accomplished at the commencement of a Republic, how is this equality to be maintained? For if individuals are allowed to dispose of their property at pleasure, an unequal distribution of wealth will soon be introduced. Hence in such a form of government, it becomes necessary that there should be some regulations concerning women's dowries, donations, successions, and testamentary settlements. Many laws of this kind are mentioned in the history of the Ancient States, some of which Montesquieu has

[1] See his sentiments on the subject at length in the *De Legibus*, Lib. III. cc. xv., xvi., xvii.

* [*Esprit des Lois*, Liv. II. chap. ii.]

very ingeniously illustrated in the fifth chapter of his Fifth Book. "In most States, however," says Dr. Ferguson, "even the democratical spirit could attain no more than to prolong the struggle for Agrarian Laws; to procure, on occasion, the expunging of debts; and to keep the people in mind, under all the distinctions of fortune, that they still had a claim to equality.

"The citizen of Rome, at Athens, and in many Republics, contended for himself and his order. The Agrarian Law was moved and debated for ages. It served to awaken the mind, it nourished the spirit of equality, and furnished a field on which to exert its force, but was never established with any of its other and more formal effects."

The same author very justly subjoins, that "many of the establishments which serve to defend the weak from oppression, contribute, by securing the possession of property, to favour its unequal division, and to increase the ascendency of those from whom the abuse of power may be feared. Those abuses were felt very early both at Athens and Rome."[1]

Nor is it sufficient for the preservation of a Democracy, that the division of lands should be *equal*. Without frugality, this equality cannot long be maintained, and frugality can only be secured by the *smallness* of the possession belonging to each proprietor. To this general rule Montesquieu mentions one exception, that of a Democracy founded on commerce. Here he thinks private citizens may acquire great riches without a corruption of morals; for the spirit of commerce is naturally attended with that of frugality, economy, moderation, labour, prudence, tranquillity, and order; and while this spirit subsists, the riches it produces have no bad effects. *These* begin only to be felt when excessive wealth damps the ardour of lucrative industry, and gives birth to other pursuits less favourable to the peace of society.

For supporting the spirit of commerce, it is necessary that it should be carried on by the principal citizens, the laws making every possible provision, that the fortune of no individual should place him above the temptation of increasing it by in-

[1] [*Essay on Civil Society*, Part III. sect. vi.] p. 262, *seq.*, fourth edition.

dustry; and that every man, however poor, should have an opportunity of employing his labour and his skill to the best advantage. For this purpose it is a wise law in a trading republic, to make an equal division of the father's estate among the children, in consequence of which exorbitant fortunes are broken down, and a *general spirit* of industry is promoted.

The great advantage of this form of government, when we consider it merely in theory, is the happy influence it seems likely to have on the human character. A sense of the common relation in which all mankind stand to the Great Author of their being, is deeply engraved on every heart; and the conscious independence inspired by this consideration, can only be controlled by a long course of education in the world, or by a strong philosophical conviction of the utility of a subordination of ranks. Even under the deepest sense of this utility, it is a sentiment which ought never to be banished completely from the mind, for in *every* state of society, and under every form of government, the observation of Dr. Ferguson will be found to hold true, that "he who has forgotten the original equality of mankind, easily degenerates into a slave; or, in the capacity of a master, is not to be trusted with the rights of his fellow-citizens."[1] And surely, if it *were* possible to class men only according to their personal qualities, and at the same time to attain the great ends of government, such a constitution would attach men to it more than any other, by being more agreeable to their natural feelings; would secure more effectually the dignity of the human character, and would encourage and promote every respectable and useful endowment both of the understanding and the heart.

But the misfortune is, such a form of government *presupposes* a degree of virtue which is not to be found among men; and therefore, although some may approach nearer than others to the description, yet the thing itself exists only in imagination.

It may be fairly questioned too, how far, in the actual circumstances of mankind, those constitutions in which the de-

[1] [Ibid. Part II. sect. ii.] p. 147, fourth edition.

viations from the abstract theory are the least striking, are practically fitted to accomplish the important ends for which governments are instituted,—wise and equitable laws, and a vigorous and effectual execution of them. In proof of this observation, it may be remarked, in the first place, that supposing the disposition of the people to be ever so virtuous and patriotic, they are perfectly incapable, when collected into numerous assemblies, of deliberating coolly and rationally about any public measure; "all numerous assemblies," according to an excellent remark of Cardinal de Retz, "being mere mob, and swayed in their debates by the least motive."* It is very remarkable, that when men are in this situation, and when their physical force is the greatest, they should be more completely than at any other time under the influence of respect for their superiors in wisdom and virtue, insomuch, that Virgil in describing the powers of *Neptune* in stilling the waves of a tempestuous sea, has been led to borrow a comparison from this *moral phenomenon*,—the influence of a man of authority in a popular assembly.† The intention of this part of our constitution was obviously to fit us for government, and to enable men, when collected together in numerous bodies, to act with order and unanimity. But it is easy to see, that although it is subservient to wise purposes, it affords a fair opportunity for the intrigues of factious and ambitious demagogues. The people are incapable of making the distinction between the reality and the shew of virtue, and those are commonly the loudest in their professions, and the best acquainted with the various arts of popularity, who are at bottom the most deficient in principle. Xenophon‡ informs us that the vulgar and the vicious were uniformly more powerful at Athens than the noble and the

* [See Hume's Essay, *Idea of a Perfect Commonwealth.*]

† [This affords indeed a good example of the πίστις ἠθική, and may be quoted. It is from the *Æneid*, i. 148.

"Ac, veluti magno in populo quum sæpe coorta est
Seditio, sævitque animis ignobile vulgus;
Jamque faces et saxa volant; furor arma ministrat:
Tum, pietate gravem ac meritis si forte virum quem
Conspexêre, silent; arrectisque auribus adstant:
Iste regit dictis animos, et pectora mulcet.
Sic," &c.]

‡ [*Atheniensium Respublica*, Capp. i., ii., iii.]

good; that those were chosen to command who could expend the most in banquets or in pageantry; and that the wicked and the crafty could please the vulgar most, and were always the most successful: he adds, that their demagogues were commonly in the pay of their enemies.

But it is not only by misleading the affections of the multitude that demagogues have been enabled to hurry them into ruinous measures. Every person who is at all acquainted with the manner in which affairs are transacted in numerous assemblies, will readily subscribe to the reasonableness of the following reflections, with which a judicious and enlightened citizen of Geneva (M. de Lolme) concludes his account of the success of a very bold experiment of this sort in the history of his own republic:—"That, in popular deliberations, the few who are united together, who take an active part in public affairs, and whose station is conspicuous, have such an advantage over the many who turn their eyes towards them, and are without union among themselves, that even with a middling degree of skill, they can at all times direct at their pleasure the general resolutions; that, as a consequence of the very nature of things, there is no proposal, however absurd, to which a numerous assembly of men may not, at one time or other, be brought to assent, and that laws would be wiser, and more likely to procure the advantage of all, if they were to be made by drawing of lots, or casting dice, than by the suffrages of a multitude."[1]

[1] [*On the Constitution of England*, B. II. chap. v. p. 255, edit. 1816.]

"In the year 1707, a law was enacted, that a general assembly of the people should be held every five years, to treat of the affairs of the Republic; but the magistrates, who dreaded these assemblies, soon obtained from the citizens themselves the repeal of that law; and the first resolution of the people, in the first of these periodical assemblies, (1712,) was to abolish them for ever. The profound secrecy with which the magistrates prepared their proposal to the citizens on that subject, and the sudden manner in which the latter, when assembled, were acquainted with it, have indeed accounted but imperfectly for this strange determination of the people; and the consternation which seized the whole assembly when the result of the suffrages was proclaimed, has confirmed many in the opinion, that some unfair means had been used. The whole transaction has been kept secret to this day; but the common opinion on the subject, which has been adopted by M. Rousseau in his *Lettres de la Montagne*, is this—The magistrates, it is said, had pri-

Mr. Hume, in one of his *Essays*, takes notice of a very singular circumstance in the Athenian government, which has escaped the attention of antiquaries and commentators. By the *Γραφὴ Παρανόμων*, or indictment of illegality, "any man was tried and punished by any common court of judicature, for any law which had passed upon his motion in the assembly of the people, if that law appeared to the Court unjust or prejudicial to the public." Of this sort of trial he gives several instances, and subjoins to them the following observations:—

"The Athenian Democracy was such a tumultuary government as we can scarce form notion of in the present age of the world. The whole collective body of the people voted in every law, without any limitation of property, without any distinction of rank, without control from any magistracy or senate, and, consequently, without regard to order, justice, or prudence. The Athenians soon became sensible of the mischiefs attending this constitution; but being averse to the checking themselves by any rule or restriction, they resolved at least to check their demagogues or counsellors, by the fear of future punishment and inquiry. They accordingly instituted this remarkable law, a law esteemed so essential to their government, that Æschines insists on it as a known truth, that were it abolished or neglected, it were impossible for the democracy to subsist."

"The people," he adds, "feared not any ill consequence to liberty from the authority of the criminal courts, because these were nothing but very numerous juries, chosen by lot from among the people; and they considered themselves justly as in a state of perpetual pupillage, where they had an authority, after they came to the use of reason, not only to retract and control whatever had been determined, but to punish any guardian for measures which they had embraced by his persuasion. The same law had place in Thebes, and for the same reason."*

vately instructed the secretaries, in whose *ears* the citizens were to *whisper* their suffrages; when a citizen said '*Approbation*,' he was understood to approve the proposal of the magistrates, when he said '*Rejection*,' he was understood to reject the *periodical assemblies*."—De Lolme, [Ibidem. p. 254, note.]

* [*Essays*, &c., Part II., Essay x. *Of some Remarkable Customs.*]

It is in consequence of experiencing this incapacity of large assemblies to transact business, that we find in all free governments two councils, a less and a greater; or, in other words, a Senate and a People. "The people," as Harrington observes, "would want wisdom without the senate, the senate without the people would want honesty."*

But here another inconvenience occurs. It appears from what has been said, that a liberty of debate in a very numerous assembly can hardly answer any good purpose. The senate, therefore, we shall suppose, *deliberates*, and the people only reserve to themselves the privilege of *resolving*. But if the senate *deliberates*, and the people only *resolves* without debating, the latter have indeed the shew of liberty, but the senate possesses, in fact, the legislative authority. This inconvenience no government, of which we have any account, has yet been able fully to remedy. There is, indeed, a plan for that purpose, and one that seems very practicable in theory, proposed by Mr. Hume in his *Idea of a Perfect Commonwealth*, an Essay that contains many original and profound observations. "If the people debate," says he, "all is confusion. If they do not debate they can only resolve, and then the senate carves for them. Divide the people into many separate bodies, and then they may debate with safety, and every inconvenience seems to be prevented." . . . .

"When an absurdity," he continues, "strikes a member of a numerous assembly, he conveys it to his neighbour, and so on till the whole be infected. Separate this great body, and though every member be only of middling sense, it is not probable that anything but reason can prevail over the whole. Influence and example being removed, good sense will always get the better of bad among a number of people. *Good sense is one thing, but follies are numberless, and every man has a different one.* The only way of making a people wise, is to keep them from uniting into large assemblies."†

* [*Oceana.*]

† [In the edition of the *Essays*, London, 1788, vol. i. p. 456. But in that edition, the last two sentences, beginning with "*Good*," &c., do not appear. Mr. Stewart's reference is, "*Essays*, vol. i. p.

Besides the inconveniences which have been hitherto mentioned as incident to democratical governments, there is another which seems to be essential to their nature. In the English constitution, it is well known that the great security we have for our liberty, and for the enactment of equitable laws, is that our lawgivers have no share whatever in the executive branch of government, but are bound by the laws, when made, in common with the rest of their fellow-citizens. But this advantage never can be enjoyed in a Democracy, because there are no persons qualified by their influence to defend the rights of the people, and, at the same time, called upon to do so by motives of self-interest. The favour of the people is indeed the *road* to eminence, but the moment that this eminence is attained by any individual, he is placed above that rank in life which exposes to the danger of oppression from the executive magistrates; nay, he becomes unwilling to curtail their authority, as he naturally looks forward to the time when he himself shall be placed in some similar station. In all Democratical Governments too, it will naturally be the policy of those in power to draw over to their party those aspiring men who have acquired an influence among the people. De Lolme remarks, that,—"At Rome, the only end which the tribunes ever pursued with any degree of sincerity and perseverance, was to procure to the people, that is, to themselves, an admission to all the different dignities in the Republic. After having obtained a law for admitting the plebeians to the consulship, they procured for them a liberty of intermarrying with the patricians. They afterwards got them admitted to the dictatorship, to the office of military tribune, to the censorship; in a word, the only use they made of the power of the people, was to increase prerogatives, which they called the prerogatives of all, but which they and their friends alone were ever likely to enjoy.

533." But I have not, at the moment, been able to ascertain whether there be a difference in the various editions. The *Essay* is not found in the third, that of 1748, which is at hand. It is more commonly said, "Truth is one, but Errors infinite, in number;" and in this form Hume is quoted by the Author for the apophthegm, *Works*, (*supra*,) Vol. VII. p. 212.]

"But we do not find that they ever employed the power of the people in things really beneficial to the people. We do not find that they ever set bounds to the terrible power of its magistrates; that they ever repressed that class of citizens who knew how to make their crimes pass uncensured; in a word, that they ever endeavoured to *regulate the judicial power*,—that power which is the sure criterion of the goodness of a government, and which was *always* at Rome a mere instrument of tyranny."*

It would seem, therefore, that the advantage of the English constitution in placing all executive authority out of the hands of those to whom the people entrust their liberties, cannot be obtained in a Democracy, in which the people will almost necessarily be betrayed by those whom they trust, as by this very confidence they elevate them above their own rank, and as the attainment of the executive offices is the ultimate object of ambition to which the favourites of the people naturally aspire.

From the observations which have been made, it appears how very difficult it must be in a Democracy to secure the enactment of equal laws. But supposing such laws to be enacted, it is still more difficult to secure the faithful interpretation and application of them. When the passions of the people are roused, their rulers will find it necessary to gratify them by popular regulations; but unless there are proper checks on the judicial power, the most salutary laws are perfectly inefficacious; and how to impose such checks, and, at the same time, to secure to judges that independence which is necessary for the pure administration of justice, is a problem which does not seem to have been successfully solved in any democratical establishment recorded in history. On this subject, some very judicious observations, illustrated chiefly by the history of the Roman Commonwealth, may be found in De Lolme.†

Let us now consider how far a Democratical Constitution is

* [*On the Constitution of England*, Book II. chap. ix.]

† [Ibidem, Book II. chap. xvi. *seq.*]

fitted for employing the *Executive Power* of the state in defending it against foreign enemies.

It is one of the most evident maxims in politics, that the executive power, in order to be exercised with vigour, secrecy, and despatch, must be entrusted to very few hands. And hence the extraordinary powers which the freest governments have found it expedient to commit to single persons in times of public alarm. This policy, however, although, in such cases, not only useful, but sometimes essentially necessary to the existence of the state, is always a measure fraught with danger to *public liberty*, which is thus confided to that very executive power, against the encroachments of which it is the great object of free constitutions to provide.

In the ancient commonwealths, the established principle was to provide against this danger by limiting the duration of the office; but, in such cases, not only the supreme power, but the actual exercise of it, remains with the people; and the affairs of the state may legally be thrown into confusion by any individual who is able, by popular arts, to inflame the passions of the multitude. We shall afterwards see how beautifully this danger is provided against in the theory of the English Constitution, by rendering the executive power dependent for the necessary supplies on the people. It is remarkable, that the Romans, who were always extremely jealous about the legislative power, seem to have had little or no jealousy about the executive. This they left almost entirely to the senate and to the consuls, reserving little to themselves but the right of choosing the magistrates, and of confirming the acts of the senate and of the generals. The share, indeed, which the senate took in the executive power was so great, that Polybius informs us, foreign nations imagined that Rome was an Aristocracy.*

This circumstance in the Roman government is accounted for by Montesquieu, from the ruling passion of that people, which was the lust of conquest, and from the constant jealousy and alarm in which they were kept with respect to their foreign enemies. "The people," says he, "disputed every

* [*Hist. Rom.* Liv. VI. cap. xv.]

branch of the legislative power with the senate, because they were jealous of their liberty; but they had no disputes about the executive, because they were jealous of their glory."*

It is evident, however, that when the executive power is committed to a separate body, or to a single person without a check, in so far the government ceases to be Democratical; and we may add, that when a single person acquires such an ascendant in the public councils as to carry on everything according to his own will and pleasure, the constitution differs from Monarchy only in name. This happens more frequently in democracies than is generally imagined. "Athens, from the battle of Marathon, was governed by a series of artful and intriguing men, who possessed themselves, from time to time, of the whole power of the state. Thucydides (Book II.) asserts, in direct terms, that Athens, under Pericles, was a perfect Monarchy, and that those who succeeded him in the government, being more on an equality, ruined the state by contention."[1]

In England, in like manner, the long Parliament was under the necessity of intrusting a select council with the whole conduct of foreign affairs. Indeed, it appears that these affairs were chiefly transacted by a single person, Sir Henry Vane.[2]

The danger in a Government professedly regulated by Republican forms, of such anomalous deviations from the genuine spirit of the constitution, needs little illustration. It is justly remarked by Montesquieu, that "an exorbitant authority suddenly conferred upon a citizen in a Republic, produces something *more* than a monarchy:" he means something more than a *limited* monarchy. "In the latter the laws have provided for,

* [*Spirit of Laws*, Book XI. chap. xvii.]

[1] Gregory's *Essays*, p. 190, [first edit. Not the *Essays Philosophical and Literary*, 1793, by Mr. Stewart's friend and colleague, the learned physician, Dr. James Gregory, but the *Essays Historical and Moral*, 1788, by the Anglican divine, the Rev. George Gregory. The passage quoted is from Part I. Essay viii., *Republican Government compared with Monarchy*, p. 168, second edition. For the example of the Roman Republic, Mr. Stewart, after Gregory, refers to Tacitus, *Hist.*, Lib. II. cap. xxxviii.]

[2] [Mrs.] Macaulay, quoted by Gregory. [Ibidem, *Essay* vii., *Of the Theory of Government*, p. 147.]

or in some measure adapted themselves to the constitution, and the principle of government checks the monarch; but in a Republic, where a private citizen has attained an exorbitant power, the abuse of this power is much greater because the laws foresaw it not, and consequently made no provision against it."[1] He has shewn in his *Considerations on the Causes of the Grandeur and Decline of the Romans*, that it was this circumstance which ruined the Republic.

We must not therefore conclude, from the splendid exertions made in war by nominal Democracies, that this form of government is well fitted for the management of the executive power, for war can only be carried on successfully when this power is entrusted to few hands; and in so far as this is done, the government departs, at least for a time, from the idea of a perfect Democracy.

Demosthenes in one of his orations, gives a lively picture of the irresolute and dilatory operations of a State embarrassed by the deliberations of popular councils, and the intrigues of ambitious and corrupt demagogues. "You resemble," says he to the Athenians, "an unskilful bruiser, who, when he finds himself struck in one part, endeavours to defend that, and leaves the rest defenceless. In like manner, you are never prepared beforehand, and when Philip invades one part of your dominions, before you determine on its defence, he is gone to another."[2]

In a state which is poor and of small extent, such a form of government may be conceived to exist with advantage. Individuals will be too much occupied with private concerns to form plans of ambition, and the general simplicity of manners will check an inordinate love of power or of exterior distinction. The simplicity likewise of their political arrangements will prevent demagogues from attempting to mislead them by misrepresentations of facts;—and the perfect knowledge which every individual may possess of the character of those who en-

[1] *Esprit des Loix*, Liv. II. chap. iii.

[2] I quote this passage on the authority of Gregory, who says in his *Essays*, that it is in the Olynthian Orations [Part I. Essay viii. p. 179, second edition.]

gage in public business, will be an additional security for their tranquillity. To this we may add, that it is in a small State that the advantages of the social union are most sensibly felt, and where the patriotic attachment operates most powerfully in stifling the selfish dispositions.

In a state which is wealthy and extensive, individuals may be expected to form ambitious projects, and they will be favoured in the execution of them by the extent of territory; by the complicated nature of the political arrangements; by the ignorance of the people with respect to the real character of their leaders, and their disposition in such cases to gratify their capricious humours, by patronizing every new candidate in preference to those whose abilities have been tried; and probably by that general passion for wealth which facilitates the secret arts of corruption. The elections for public offices will become a scene of intrigue and faction. The candidates for power will attempt to supplant their predecessors by detraction and by professions of patriotism; and when they have obtained their object, will, in their turn, forget the engagements they came under, and endeavour to maintain the power they have acquired, by availing themselves of those means of supporting it which their stations put in their hands. In the midst of such intrigues, the power of the state is likely to fall into the worst hands, and genius as well as virtue to be proscribed from the public service. Thucydides remarks, in speaking of the factions throughout all the Grecian Commonwealths:—"That in these contests, those who were the dullest and most stupid, and had the least foresight, commonly prevailed. For being conscious of this weakness, and dreading to be overreached by those of greater penetration, they went to work hastily, without premeditation, by the sword and poniard, and thereby got the start of their antagonists, who were forming fine schemes and projects for their destruction."*

This observation has been praised by Mr. Hume, as possessing at once the merit of refinement and solidity; and it has

* [*Hist.* Lib. III.; translated by Mr. Hume in his Essay, *Of the Populousness of Ancient Nations.*]

been strikingly verified by some events which have happened in our own times.

The following passage from Machiavel is so apposite to our present subject, that I shall make no apology for the length of the quotation. It is part of a speech addressed by a citizen of Florence to the Senate, and contains (as De Lolme observes) a kind of abridged history of all Republics.*

"And that nothing human may be perpetual and stable, it is the will of heaven, that in all states whatsoever, there should arise certain destructive families, who are the bane and ruin of them. Of this our Republic can afford as many and more deplorable examples than any other, as it owes its misfortunes not only to one but to several of such families. We had at first the *Buondelmonti* and the *Huberti:* we had afterwards the *Donati* and the *Cerchi.* And at present we are waging war among ourselves for the *Ricci* and the *Albizzi.*

"When, in former times, the Ghibelins were suppressed, every one expected that the Guelfs, being then satisfied, would have chosen to live in tranquillity; yet, but a little time had elapsed, when they again divided themselves into the factions of the *Whites* and *Blacks.* When the Whites were suppressed, new parties arose, and new troubles followed. Sometimes battles were fought in favour of the exiles, and at other times quarrels broke out between the nobility and the people, and as if resolved to give away to others what we ourselves neither could, nor would peaceably enjoy, we committed the care of our liberty, sometimes to King Robert, and at other times to his brother, and at length to the Duke of Athens, never settling or resting in any kind of government, nor knowing either how to enjoy liberty or support servitude." †

* [*Constitution of England*, Book II. chap. i. p. 200, edit. 1816.]

† Machiavel's *History of Florence*, I. iii. From this passage Voltaire has borrowed the remark he applies to the English in his *Henriade.* Speaking of Queen Elizabeth—

"Et fit aimer son joug à l'Anglois indompté,
Qui ne peut ni servir, ni vivre en Liberté."

[As observed by Hume, (Essay, *Of the Liberty of the Press,*) Voltaire copied Tacitus,—"*Nec totam servitutem, nec totam libertatem pati possunt.*" But Machiavel also, only follows the same original.]

Upon a general review of the foregoing considerations, it appears, that whether a Democracy be great or small, there is an essential defect in this form of government. If it be small, it is destroyed by a foreign force; if it be large, it is ruined by an internal imperfection.

Montesquieu remarks, that both Democracies and Aristocracies are equally liable to this twofold inconvenience, and *that* whether they be good or bad, the evil is in the very thing itself, and no form can redress it.

"It is therefore," he continues, "very probable that mankind would have been at length obliged to live constantly under the government of a single person, had they not contrived a constitution that has all the internal advantages of a Republican, together with the external force of a monarchical government; I mean a *Confederate Republic*.

"This form of government is a convention, by which several small states agree to become members of a larger one which they intend to form. It is a kind of assemblage of societies that constitute a new one, capable of increasing, by means of new associations, till they arrive at such a degree of power as to be able to provide for the security of the united body.

"It was these associations that contributed so long to the prosperity of Greece. . . . .

"A Republic of this kind, able to withstand an external force, may support itself without any internal corruption. . . . As it is composed of petty Republics, it enjoys the internal happiness of each; and with respect to its external situation, it is possessed by means of the association of many, of the advantages of large monarchies."[1]

In the observations which have hitherto been made, I have considered it as essential to the notion of a Democracy, that the power of legislation should be lodged in the whole body of a people. This I conceive to be the abstract or theoretical idea of this form of government, although it has never been completely realized in the history of mankind. In illustrating its

[1] [*Esprit des Loix*, Liv. IX. chap. i.] See the rest of Montesquieu's remarks on this subject;—Liv. IX. chapitre ii., *seq.*

tendency, I have been obliged to borrow my facts from the proceedings of popular assemblies in different states, some of which may have approached nearer than others to the general definition, but all of which have departed from it in very important respects. This, however, forms no objection to the view of the subject I have taken, or to the fitness of these illustrations; for the proceedings of a popular assembly in any form of government, may serve equally well to illustrate the advantages or the disadvantages that might be expected from a constitution in which such an assembly formed the whole body of the people, and retained in itself the power of legislation.

If we should enlarge the definition of a Democracy, and admit the people only to act by their representatives, the nature of the government becomes essentially changed, and many of the foregoing objections fall to the ground.

"It was one great fault," says Montesquieu, "in most of the ancient Republics, that the people had a right to influence immediately the public resolutions;—a thing of which they are absolutely incapable. *They ought to have no hand in the government but for the choosing of representatives.*"*

If this principle of Montesquieu be admitted, that "an indirect share in the legislation, by means of delegates or representatives, is the utmost length of political freedom that is consistent with the ends of government," *some* of the inconveniences now stated as incident to democratical constitutions, may undoubtedly be obviated. And it affords a curious and interesting subject of philosophical speculation, to devise the most effectual and advantageous mode of carrying the representative system into execution, a problem (by the way) of which the solution must necessarily vary with the circumstances of the country in question. A very ingenious theory on this subject is proposed by Mr. Hume, in one of his Political Discourses, and is supported by him by many plausible arguments. The Essay concludes with an observation, in which the author controverts the common opinion, that no large state could ever be modelled into such a form of government, and

* [Ibid. Liv. IX. chap. vi.]

that it is compatible only with a single city, or a very small territory. "The contrary," says he, "seems probable. Though it is more difficult to form a Republican Government in an extensive territory than in a city, there is more facility, when once it is formed, of preserving it steady and uniform, without tumult and faction. It is not easy for the distant parts of a large state to combine in any plan of free government, but they easily conspire in the esteem and reverence for a single person, who, by means of this popular favour, may seize the power, and forcing the more obstinate to submit, may establish a monarchical government. On the other hand, a city readily concurs in the same notions of government, the natural equality of property favours liberty, and the nearness of habitation enables the citizens mutually to assist each other. Even under absolute princes, the subordinate government of cities is commonly Republican, while that of counties and provinces is Monarchical. But these same circumstances, which facilitate the erection of commonwealths in cities, render their constitutions more frail and uncertain. Democracies are turbulent. For however the people may be separated or divided into small parties either in their votes or elections, their near habitation in a city will always make the force of popular tides and currents very sensible. Aristocracies are better adapted for peace and order, and accordingly were most admired by ancient writers, but they are jealous and oppressive. In a large government which is modelled with masterly skill, there is compass and room enough to refine the democracy, from the lower people who may be admitted into the first elections, or first concoction of the commonwealth, to the higher magistrates who direct all the movements. At the same time, the parts are so distant and remote, that it is very difficult, either by intrigue, prejudice, or passion, to hurry them into any measures against the public interest."*

To these reasonings of Mr. Hume's many very strong objections might be made; but I shall only mention *one* at present, which has always had more weight with me than any other.

* [Essay, *On the Idea of a Perfect Commonwealth*, towards the end.]

It is founded on an observation, (which I was formerly [*supra*, Vol. I. p. 21, *seq.*] at some pains to illustrate,) that the happiness of mankind depends *immediately*, not on the *form of government*, but on the particular system of *law and policy* which that form introduces; and that the advantage which one form of government possesses over another, arises chiefly from the facility it affords to the introduction of such legislative improvements as the general interests of the community recommend. Now, I do not think that in the present state of the world, Democratic constitutions in any form which it is possible to give them, are favourable to the establishment of those systematic and enlightened principles of Political Economy which are subservient to the progressive happiness and improvement of mankind. Under every form of government, (whatever it may be,) provided its general spirit be favourable to liberty, and allows an unrestrained freedom of discussion, these enlightened views of Political Economy will gradually and slowly prevail in proportion to the progress of reason and the diffusion of knowledge. And they will command the general assent of mankind soonest in those countries where a strong executive power and a vigilant police allow men to prosecute calmly and dispassionately those important but difficult studies, which lead to the melioration of the human race.

I shall prosecute this subject further when I come to treat of the peculiar advantages of the English Constitution. In the meantime, I proceed to make a few remarks on the nature and spirit of Aristocratic Governments.

[SUBSECT. II.]—*Of Aristocracy.*

In an *Aristocracy*, the supreme power is vested in a select body of the citizens, or (to express myself in the language of modern Europe) in a body of *Nobility;* but the nature and spirit of such a form of government may be widely diversified in different instances, while the general character of the constitution remains the same.

1. If the nobles be numerous, a senate will be necessary for

the management of those kinds of business which cannot be transacted in a large assembly, and for preparing the business which is to come under the general consideration of the order. "Where this is the case," says Montesquieu, "the Aristocracy is, in some measure, in the senate, the Democracy in the body of the nobles, and the people are nothing at all."*

2. With respect to the manner in which the power of the nobles is vested in them, two suppositions may be formed. First, that it belongs to them in their collective capacity only, individuals possessing no separate authority but what they derive from the whole body; and secondly, that each nobleman has a separate and independent authority belonging to himself. The former supposition took place in the old Venetian government; the latter in that of Poland, in which every nobleman, by means of his fiefs, had a certain hereditary authority over his vassals, and the whole body had no authority but what it received from the concurrence of its parts.[1]

Of the two, it is easy to see that the former is likely to be by far the more tolerable; for where the whole authority of the nobles is vested in them in their collective capacity, although the laws which are made will probably be calculated to favour the interests of the ruling order, yet such acts of wanton oppression are not to be dreaded as often proceed from the bad passions of uncontrolled individuals. In the latter case, the nobles will set up as little tyrants in every corner of the country, extending their oppressions to all descriptions of men, and even to those individuals who, in an extensive monarchy, would derive some security from their insignificance. It is therefore with good reason that Mr. Hume, in his Essay entitled *Politics a Science*, lays it down as a universal political axiom, that the best aristocracy is that in which the nobility have no vassals. In further illustration of this maxim, Mr. Hume observes, that "a nobility who possess their power in common will preserve peace and order, both among themselves and their subjects;

* [*Esprit*, &c., Liv. II. chap. iii.]

[1] Hume's *Essays*, Vol. I. [Part I. Essay iii., *Politics a Science*.]

and no member can have authority enough to control the laws for a moment. The nobles will preserve their authority over the people, but without any grievous tyranny, or any breach of private property; because such a tyrannical government promotes not the interest of the whole body, however it may that of some individuals. There will be a distinction of rank between the nobility and people; but this will be the *only* distinction in the state. The whole nobility will form one body, and the whole people another, without any of those private feuds and animosities which spread ruin and desolation everywhere. It is easy to see the disadvantages of a Polish nobility in every one of these particulars."*

3. Montesquieu remarks,† that those aristocracies are the best in which they who have no share in the legislature are so few and inconsiderable that the governing party have no interest in oppressing them. Thus, when Antipater made a law at Athens, that whosoever was not worth two thousand drachmas (about £60 sterling[1]) should have no power to vote, he formed, by this means, the best Aristocracy possible; because this was so small a sum as excluded very few, and not one of any rank or consideration in the city. The truth is, that such an aristocracy carries political liberty as far, perhaps, as is compatible with the great ends of government. In every society there must be distinctions and subordinations among men, founded on their personal qualities; and the perfection of government undoubtedly would be, to arrange men as nearly as possible by this standard. To give political power, therefore, to those who, from their situation and education, may be presumed best qualified to exercise it, and to exclude from a share in the government those who are incapable of thinking and judging

* [Ibidem.]

† [*Esprit*, &c., Liv. II. chap. iii.]

[1] See Hume's Essay, *On the Populousness of Ancient Nations*. "This government, however, was so disagreeable to the people, that about two-thirds of them immediately left their country. Cassander reduced that *census* to the half; yet still the government was considered as an Oligarchical tyranny, and the effect of foreign violence."—Hume, ibid.

for themselves, is not to counteract, but to fall in with the obvious intentions of Nature.

> "For just experience tells, in every soil,
> That those who think must govern those who toil."*

The invidious and unjust distinctions of an Aristocracy consist in those disqualifications founded on birth, which prevent a man, however eminent for virtue and ability, from serving his country in particular situations. No form of government secures completely the rights of mankind, in which there is not a fair field opened to a laudable ambition; but provided this is done,—provided it is in the power of every individual to raise himself to all the honours of the state, by personal merit, the constitution cannot be censured as partial or oppressive; nay, the interest even of the lower orders imperiously requires, that they should be excluded from those functions which they could only exercise to their own ruin.

But whatever be the particular nature of the Aristocracy, it will be the *interest*, as it undoubtedly is the *duty*, of the governing order, to conceal as much as possible, in the intercourse of private life, every circumstance in their situation which may have a tendency to mortify the pride, and to rouse the jealousy of their inferiors. Particular constitutions may require, that certain political functions should be confined to a particular order of men; and in such a situation, it may be the duty of this order to maintain these privileges against every encroachment; but it is their duty, at the same time, to shew, by the uniform tenor of their manners, that they consider the distinctions they enjoy, not as the rightful appendage of a separate *caste*, but as a trust committed to them for the purpose of general utility.

This, I presume, was *in part* the idea of Montesquieu, when he said that *moderation* is the principle of Aristocracy.† He has indeed left us in this, as in many other instances, in some measure to conjecture his meaning; but he has expressed the same sentiments, which I have now been stating, very explicitly

* [Goldsmith, *Traveller*, 383.]

† [*Esprit*, &c., Liv. III. chap. iv.]

in other parts of his writings. "Aristocratical families," says he in one place, "ought, as much as possible, to level themselves in appearance with the people. The more an Aristocracy borders on Democracy, the nearer it approaches to perfection."* In another place he remarks, that as "the pomp and splendour with which kings are surrounded form a part of their power, so modesty and simplicity of manners constitute the strength of an aristocratical nobility. When they affect no distinction, when they mix with the people, dress like them, and with them share all their pleasures, the people are apt to forget their subjection and weakness." To illustrate this observation, he mentions an anecdote of the Venetians, "who, in many respects," says he, "may be said to have been a *very wise* government, and who, in the present age, decided a dispute between a noble Venetian and a gentleman in *Terra Firma*, with respect to precedency in a church, by declaring, that out of Venice a noble Venetian had no pre-eminence over any other citizen."†

Dr. Ferguson, too, in commenting on Montesquieu's doctrine concerning the *principles* of the different forms of government, puts the same interpretation on the word *moderation*, in this instance, which I have done.

"To maintain for himself, and to admit in his fellow-citizens a perfect equality of privileges and station, is not the leading maxim of the member of an Aristocracy. The rights of men are modified by their condition. One order claims more than it is willing to yield; the other must be ready to yield what it does not assume to itself; and it is with good reason that Montesquieu gives to the principle of such government the name of *moderation*, not of *virtue*."

"The elevation of one class is a moderated arrogance; the submission of the other a limited deference. The first must be careful, by concealing the invidious part of their distinction, to palliate what is grievous in the public arrangement, and by their education, their cultivated manners, and improved talents, to appear qualified for the stations they occupy. The other must be taught to yield, from respect and personal attachment,

* [*Esprit*, &c., Liv. III. chap. viii.] † [Ibid. Liv. V. chap. viii.]

what could not otherwise be extorted by force. When this moderation fails on either side, the constitution totters."[1]

It follows evidently from what has been said, that the less invidious the legal distinctions are which are made between the two orders, the more quiet and permanent the government is likely to be. How mortifying, for example, was the law at Rome, inserted by the Decemvirs in the two last tables, by which the patricians were forbidden to marry plebeians;—"a law," says Montesquieu, "that had no other effect than to render the patricians, on the one side, more haughty, and on the other, more odious."* It is a grievance still more liable to be abused, when an unjust distinction is made between the two orders in respect of taxation, as when the nobles assume the privilege of paying none, or when, as in some aristocracies of Italy, they commit frauds to exempt themselves. Montesquieu observes, that while Rome inclined towards Aristocracy she avoided all these inconveniences. "The magistrates never received any emoluments from their office. The chief men of the Republic were taxed like the rest, nay heavier, and sometimes the taxes fell upon them alone. In a word," says he, "far from sharing among themselves the revenues of the state, all they could draw from the public treasure, and all the wealth that fortune threw in their way, they bestowed freely on the people, that they might not envy them their honours."† The same author remarks, how very essential a point it is in an Aristocracy that the nobles should not levy the taxes. If they did, the property of the people would be at the discretion of those in public employments, and there would be no superior tribunal to check their power.‡

The most favourable view which can be taken of an Aristocratical government is, when we confine the attention solely to the character and manners of the superior order. There is, undoubtedly, a set of virtues, and of very splendid virtues, naturally connected with hereditary rank and the pride of family:—Independence and elevation of mind, sincerity, disin-

[1] *Essay on Civil Society*, Part I. sect. x.

* [*Esprit*, &c., Liv. V. chap. viii.]

† [Ibid.]

‡ [Ibid.]

terestedness, generosity, and personal intrepidity and gallantry. I acknowledge, too, that there are aristocratical vices, originating in what a patrician historian of Rome represents as the constitutional disease of his own order;—"*Contemptor animus et superbia; commune nobilitatis malum.*"* But the effects of these operate chiefly in the narrow circle of private life, and are not apt to strike the attention of foreign nations. Where the lucrative arts are abandoned to an inferior description of men, the nobles may be expected to be free from those defects which are often connected with the commercial character; but it must be remembered, that in proportion as we elevate in this way one class of the community, we depress another, which is far more numerous; and it is surely not compatible with an equitable government, to sacrifice the dignity and the happiness of one order of men to those of another. We are, indeed, too often apt to forget this consideration; and, when the imagination is dazzled with the splendour of aristocratic qualities, to overlook the immense price at which they have been purchased.

In Sparta, where every freeman was relieved completely of all solicitude about private interest, a national character was formed, which, in point of elevation and heroism, exceeds everything else in the history of mankind; and although in our cooler moments, our indignation rises at the cruel and unjust degradation of the Helots; yet, "when," in the language of Dr. Ferguson, "we think only of the superior order of men in the state; when we attend to that elevation and magnanimity of spirit, for which dangers had no terror, interest no means to corrupt; when we consider them as friends, or as citizens, we are apt to forget, like themselves, that slaves have a title to be treated like men."†

If we should suppose an Aristocracy in which the nobles applied themselves to commerce, the evils of this form of government would be greatly aggravated, as they would probably add rapacity and fraud to the vices connected with their elevated rank. Accordingly, Montesquieu mentions this as a

* [Sallust, *Jug.* cap. 64.]

† [*Essay on Civil Society*, Part IV. sect. ii.]

fundamental principle in an Aristocracy, that the nobles should be prohibited every kind of commerce. "Merchants," says he, "of such unbounded credit, would monopolize all to themselves. Commerce is the profession of people who stand on an equality. Hence, among despotic States, the most miserable are those in which the prince applies himself to trade.

"The laws of Venice debar the nobles from commerce. One of their laws, in particular, forbids the Senatus to have any ship at sea that holds above forty bushels."[1]

I before took notice [*supra*, p. 366, *seq.*] of the difficulty of securing in a Democracy a faithful execution of equitable laws after they are enacted. This has given rise to the *Censorial Office*. The same difficulty occurs in an Aristocracy, and has suggested the institution, either of temporary or perpetual magistrates, as a check upon the nobles. Hence the State inquisitors at Venice, magistrates who are subject to no formalities. Hence, too, the *Ephori* at Sparta.[2]

For the preservation, however, of an *Aristocracy*, it is necessary not only that the nobles should have a spirit of *Moderation* towards the people: it is farther necessary that they should have a spirit of *moderation* with respect to their own order; for if one family should aspire to an elevation above the rest, the constitution would be changed into a mixed monarchy. Accordingly, it appears from a variety of passages in Montesquieu, that he also included this circumstance in the *principle* he has assigned to this form of government. It is much to be regretted that this ingenious and profound writer is not always precise and uniform in his use of words, and sometimes employs the same expression in very different senses.

In order to maintain, as far as possible, an equality among the nobles, Montesquieu* remarks that no countenance should be given by the *laws* to the distinctions which vanity founds

[1] *Esprit*, &c., Liv. V. chap. viii.

* [Ibid.]

[2] Montesquieu, ibid. See also De Lolme, [*Constitution of England*, II. xii.]

upon the nobility or antiquity of families. Pretences of this nature ought to be ranked among the weaknesses of private persons. It is farther expedient, that the right of primogeniture should be abolished, (which is the case at Venice,) that by a continual division of the inheritances, the fortunes of the nobles may be kept nearly on a level; and generally, that all those contrivances should be excluded which have been introduced into monarchical governments for the purpose of perpetuating the grandeur of families.

The corruption of Aristocracy in the language of the ancient politicians is called *Oligarchy*. It has been sometimes defined to be *the government of the rich over the poor;* but the true idea of it seems to be a government where *the ruling order have in view not the public interest, but the maintenance of their own influence and authority.* According to Aristotle,[1] "a constitution may be excellent, whether the executive power rest in the hands of one person; whether it be divided among many; or whether it continue in the hands of the people; but that power will become fatal if monarchy degenerates into tyranny, if Aristocracy is turned into Oligarchy, or if the Democratic authority, falling again into the lower classes of the people, produces nothing but tumult and anarchy."

He afterwards tells us more explicitly, that "*a tyrant is a monarch who rules with no other view than the benefit of himself and his family.* Aristocracy degenerates into Oligarchy, *when the few, who are rich, govern the State as best suits the interests of their avarice and ambition;* and a Republic degenerates into a Democracy, *when the many, who are poor, make the gratification of their own passions the only rule of their administration.* Wherever wealth alone opens the road to preferment, Oligarchy prevails; poverty, on the other hand, is the constant attendant of Democracy, and the distinctive character of those governments consists not in this, that the many or the few bear sway, but in the one case, that rapacious poverty be armed with power; and in the other, that contemptuous opulence be invested with authority. But as emi-

[1] *Politics*, Book III. chap. v.

nence in wealth can only fall to the share of a few, and as *all* may participate the advantages of equal freedom, the partisans of the rich and of the multitude agitate republican states, each faction striving to engross the government."—(Gillies's translation.)

Hence it appears, that by an Oligarchy, Aristotle meant an aristocratical government, in which the common good of the state (which ought to be the end of every political establishment) is sacrificed to the interest or to the passions of the rulers. That all hereditary Aristocracies have a strong tendency to degenerate into Oligarchies, is confirmed by the universal experience of mankind, and is acknowledged by the violent and tyrannical regulations (such as the institution of Inquisitors, &c.) which have been devised as a remedy against this source of corruption. At the same time it must be confessed, that an hereditary aristocratical assembly is less in danger of running into Oligarchy, than a single assembly chosen at short intervals by the people, and vested completely with the authority of the state. The leading members of the assembly possessing (in such democratic establishments) the appointment of judges, and the appointment to all lucrative and honourable offices, they have thus the power to bend the whole executive and judicial authority to their own private interest, and by this means to increase their own reputation, wealth, and influence, and those of their party, at every new election; whereas, in a simple hereditary aristocracy, it is the interest of the members in general to preserve an equality among themselves as long as they can; and as they are smaller in number and have more knowledge, they can more easily unite for that purpose, and there is no opportunity for any one to increase his power by the management of elections.[1] An aspiring chief, for the same reasons, in an hereditary Aristocracy, has more obstacles in the way of his ambition, than an aspiring demagogue in a pure Democracy. We may add, that if he should succeed in the attainment of his object, the danger to the public is infinitely less alarming; for the power of a

[1] Adams *On the American Constitution*, Vol. III. p. 286.

demagogue over men who acknowledge no adventitious distinctions, is but another name for despotism; whereas in an hereditary aristocracy, the elevation of an individual to the throne may prepare the way for a mixed government, composed, like our own, by a happy union of the three simple forms.

The experience which the ancient Politicians had of the turbulence of Democracies, joined to their ignorance of such Mixed Monarchies as have arisen in modern Europe, naturally produced a strong partiality in favour of Aristocracy; and, undoubtedly, in ages when the art of printing was unknown, and of consequence the general instruction of the people was impossible, much might be advanced in support of their opinion. It must, too, be acknowledged, that notwithstanding the tendency of Aristocratical Constitutions to foster in the rulers a spirit of jealousy and oppression, they have, in some instances, been administered for a long course of time with such exemplary wisdom and moderation, as to secure, in an eminent degree, all the most essential ends for which governments are instituted. The history of the Canton of Berne, which (a few years ago) was unquestionably one of the happiest and most prosperous states in Europe, furnishes a striking illustration of the truth of this remark.

[SUBSECT. III.]—*Of Monarchy.*

By the word *Monarchy*, (as I employ it at present, in considering theoretically the *simple* forms of government,) is to be understood a political establishment, where a single person, without being limited by any law, directs everything agreeably to his own inclination, and where his subjects are understood to have no rights which they are entitled to state in opposition to his authority.

That such a form of government may, in particular combinations of circumstances, be attended with the most fortunate effects, it is impossible to deny. In certain respects, it possesses important advantages over every other that imagination can conceive; in particular, in the vigour, secrecy, and despatch

which it communicates to the operations of the executive magistrate. Nay, farther, it may be safely affirmed, that it has been under a government approaching to this description that the internal happiness of large empires has been sometimes carried to the highest pitch. "If a man," says Mr. Gibbon,* "were called to fix the period in the history of the world during which the condition of the human race was most happy and prosperous, he would, without hesitation, name that which elapsed from the death of Domitian to the accession of Commodus. The vast extent of the Roman empire was governed by absolute power, under the guidance of virtue and wisdom. The armies were restrained by the firm but gentle hand of four successive emperors, whose character and authority commanded involuntary respect. The forms of the civil administration were carefully preserved by Nerva, Trajan, Hadrian, and the Antonines, who delighted in the image of Liberty, and were pleased with considering themselves as the accountable ministers of the laws." In general, it must be granted to the advocates for this form of government, that if it were possible to secure perfect virtue and unerring wisdom in a prince, and if his subjects, at the same time, were of such a character as to be capable of enjoying the blessings of a mild and equitable government, the internal tranquillity and prosperity of an extensive empire, as well as the force it would be capable of employing against its foreign enemies, would be secured to a greater degree under such a constitution than under any other.

On the other hand, it is no less evident that this form of government rests the happiness of the people on the most precarious of all foundations;—and that as it is capable, when well administered, of doing more good, so it is also capable, on the opposite supposition, of doing infinitely more mischief, than any other species of government whatever. And, accordingly, the eloquent historian now quoted, after remarking, that "the labours of these monarchs (the princes to whom the foregoing passage refers) were overpaid by the immense reward that inseparably waited on their success, by the honest pride of

* [*Decline and Fall*, &c., Chap. iii.]

virtue, and by the exquisite delight of beholding the general happiness, of which they were the authors," immediately subjoins,—"A just but melancholy reflection embittered the noblest of human enjoyments. They must often have recollected the instability of a happiness which depended on the character of a single man. The fatal moment was perhaps approaching when some licentious youth, or some jealous tyrant, would abuse, to the destruction, that absolute power which they had exerted for the benefit, of their people. The ideal restraints of the senate and the laws, might serve to display the virtues, but could never correct the vices of the emperor. The military force was a blind and irresistible instrument of oppression, and the corruption of Roman manners would always supply flatterers eager to applaud, and ministers prepared to serve the fear or the avarice, the lust or the cruelty, of their masters.

"These gloomy apprehensions had been already justified by the experience of the Romans. The annals of the emperors exhibit a strong and various picture of human nature, which we should vainly seek among the mixed and doubtful characters of modern history. In the conduct of these monarchs we may trace the utmost lines of vice and virtue, the most exalted perfection, and the meanest degeneracy of our own species. The golden age of Trajan and the Antonines had been preceded by an age of iron. It is almost superfluous to enumerate the unworthy successors of Augustus: their unparalleled vices, and the splendid theatre on which they were acted, have saved them from oblivion. The dark, unrelenting Tiberius, the furious Caligula, the feeble Claudius, the profligate and cruel Nero, the beastly Vitellius, and the timid, inhuman Domitian, are condemned to everlasting infamy. During fourscore years, excepting only the short and doubtful respite of Vespasian's reign, Rome groaned beneath an unremitting tyranny, which exterminated the ancient families of the republic, and was fatal to almost every virtue and every talent that arose in that unhappy period." *

* [Ibid.—Aristotle, in his *Politics*, clearly shews how a pure or Autocratic Monarchy is naturally either the *best* or the *worst* form of government. Hence, though unnoticed by Erasmus, the adage,—*Co. ruptio optimi pessima.*]

Independently of these considerations, so forcibly stated by Mr. Gibbon, much might be urged in opposition to that argument, which the example of a few virtuous monarchs has furnished to some writers in favour of absolute power. It was only in an empire placed in the very peculiar circumstances in which Rome then stood, that such characters as Trajan and the Antonines were likely to be formed; or that they could have found themselves placed at the head of a people qualified to receive from them the happiness which they were willing to bestow. Among a people whose liberty has been suddenly overturned by a military force, the characters both of sovereigns and subjects may continue, for ages, to be influenced by the recollection of earlier and happier times. This, as we have seen, was the case in the Roman empire, under which the people long retained the independent and elevated ideas of their ancestors,—ideas which were more firmly rivetted in some of them by the study of the Greek philosophy; while, in the catalogue of sovereigns, among a multitude of the most execrable scourges of mankind, we find some of the most illustrious names that have ever adorned humanity. In order to form a judgment of the genuine nature and effects of *pure Monarchy*, we must suppose the government to be so long established as to obliterate, both in the case of the sovereign and his subjects, all the ideas and manners which might have been derived from earlier and happier institutions. This supposition is realized among different nations of the East. In the Persian language, it is said there is no word for any form of government but *Absolute Monarchy;* and excepting some faint ideas which have been communicated to the people by European travellers, of the freedom and mildness of our establishments, they believe that such has ever been the condition of mankind. It is to the East, accordingly, we must turn our views, if we wish to collect illustrations of the genuine tendency of this form of government with respect to human happiness and improvement. On this branch of our subject, I have nothing to add at present to the profound remarks of Montesquieu and Ferguson.

Where an individual is so far elevated above a community as to consider its members as born merely for his use and pleasure, it is not to be supposed that he will embarrass himself much with the cares of government. It is more natural to presume that he will make choice of some *one* person, to whom he will entrust the administration, and devote himself entirely to indolence and voluptuousness. Montesquieu,* therefore, states it as a fundamental law in this government, that the sovereign creates a *vizier*, to whom an unlimited power is delegated; and, in fact, we find that among the eastern despots the practice is universal. Among *them*, indeed, other circumstances concur to make it absolutely necessary; in particular, the education which is systematically bestowed on them,—an education calculated both to enfeeble their understandings and corrupt their hearts. Upon their elevation, accordingly, to the throne, finding themselves incapable of holding the reins of government, they relieve themselves of the whole burden, and abandon themselves to the pleasures of the seraglio.

The same effects which are felt *in the extreme*, under these despotic governments of the East, may be expected everywhere, though in a less degree, among princes possessed of sovereign authority, and not properly prepared for the exercise of it by a youth of exertion and enterprise. This observation is well illustrated by Helvetius in the following passage:—

"A despotic prince being in possession of all the pleasures which glory can promise to other men, has not motives sufficient to enable him to undergo the tiresome task of business, and to expose himself to that fatigue of attention necessary to his obtaining instruction. Such princes, therefore, are seldom reckoned among great sovereigns, except where they have cleared the way to the throne, or been long instructed in the school of misfortune. They always owe their knowledge to the interest they have in acquiring it.

"Why are little princes generally more able men than the most powerful despots? It is, because they have in a manner

* [*Esprit*, &c., Liv. II. chap. v.]

their fortunes to make; because they are obliged, with an inferior force, to resist that which is superior; because they live in perpetual fear of having their dominions taken from them; and because their interest, being more strictly united with that of their subjects, must enlighten them with respect to the various parts of their administration. Thus we might, in consequence of what I have said, prepare Geographico-political maps of the merit of the princes in the several empires of the East. Their understanding, measured by the scale of their power, would decrease in proportion to the extent and strength of their empires, to the difficulty of penetrating into them, and to the degree of absolute authority they have over their subjects; this scale being once established, would afford us very just conclusions. The Sophis and Moguls, for example, would be placed in the lowest rank; because, excepting some in singular circumstances, where they have accidentally had a good education, the most powerful must commonly be the most ignorant."[1]

Under a despotical government, it is farther evident that an unlimited authority, in many respects, must be delegated by the vizier to his inferior officers. There is no established law but the will of the sovereign, and as this cannot be known in every instance, magistrates will necessarily follow their own. Hence the whole country will groan under the oppression of little despots, and of the most intolerable of all despots, men who are themselves slaves to their employers.

In some despotic governments the Prince is considered as proprietor of all the lands, and heir to all his subjects. Here, the extreme of servitude is felt, and every inducement, even to the practice of the lucrative arts and the acquisition of property, is taken away. Agriculture is neglected, and the earth is left in a state of nature. "Under this form of government," says Ricaut, speaking of the Ottoman empire, "nothing is repaired or improved. Houses are built only for the necessity of habitation; there is no such thing as digging of ditches, or planting of trees; everything is drawn from, but nothing re-

[1] *De L'Esprit*, Essai IV. chap. xiv.

stored to the earth: the land lies untilled, and the whole country becomes a desert."[1]

The river Menam, in the kingdom of Siam, overflows annually like the Nile, depositing a quantity of slime, which proves a rich manure. The river seems to rise gradually as the rice grows, and retires to its channel, when the rice, approaching to maturity, needs no longer to be watered. Nature beside has bestowed on that rich country variety of delicious fruits, requiring scarce any culture.[2] "In such a paradise," says Lord Kames, "would one imagine that the Siamites are a miserable people?" "The government," says the same author in answer to his own question, "the government is despotic, and the people are slaves. They must work for their monarch six months every year, without wages, and even without receiving any food from him. What renders them still more miserable is, that they have no protection either for their persons or their goods. The grandees are exposed to the rapacity of the king and his courtiers, and the lower ranks are exposed to the rapacity of the grandees. When a man has the misfortune to possess a tree remarkable for good fruit, he is required, in the name of the king or a courtier, to preserve the fruit for their use. Every proprietor of a garden in the neighbourhood of the capital, must pay a yearly sum to the keeper of the elephants, otherwise it will be laid waste by those animals, whom it is high treason to molest. From the seaport of Merguin to the capital, one travels ten or twelve days, through immense plains of a rich soil, finely watered. That country appears to have been formerly cultivated, but is now quite depopulated, and left to tigers and elephants. Formerly an immense commerce was carried on in that fertile country: historians attest, that in the middle of the sixteenth century above a thousand foreign ships frequented its ports annually.

[1] *State of the Ottoman Empire*, quoted by Montesquieu, [*Esprit*, &c., V. xiv.] This precarious state of property naturally produces usury and exorbitant interest, as each person will raise the value of his money in proportion to the danger he sees in lending it. Hence poverty is deprived even of the resource of borrowing, and extensive commerce is rendered impracticable.

[2] See on this subject Raynal, [*Histoire Philosophique*, &c.,] Book ix.

But the king, tempted with so much riches, endeavoured to engross all the commerce of his country, by which means he annihilated successively mines, manufactures, and even agriculture. The country is depopulated, and few remain there but beggars."[1] In this manner, the unlimited desire of power and of wealth frustrates its own designs. The real grandeur of a sovereign can only be founded on the wealth, the happiness, and the attachment of his subjects, and these can only be secured by civil liberty. When the savages of Louisiana wish for the fruit of a tree, they lay the axe to its root. "Behold," says Montesquieu, "an emblem of despotic government!"* "A sentiment," as Dr. Warton has well remarked, "worthy of the spirit of Demosthenes, and an image worthy of the genius of Homer."

When we review, in this manner, the tendency of despotism with respect to the happiness of mankind, it cannot fail to excite our wonder how such a species of government should be suffered to exist, or by what fascination millions of men should continue for ages under its yoke. It appears, however, from the fact, that the thing *is* possible, and that the human mind may be so trained by education, or subdued by external circumstances, as to lose all sense of its natural rights in a childish admiration of rank and magnificence, or in a servile depression and abjectness of spirit. Tacitus informs us, that in the reign of Tiberius, the servility and adulation even of the higher orders was carried to such an excess, as to become disgusting to the tyrant himself. "Ceterum tempora illa adeo infecta, et adulatione sordida fuêre, ut non modo primores civitatis, quibus claritudo sua obsequiis protegenda erat; sed omnes consulares, magna pars eorum qui prætura functi, multique etiam pedarii senatores certatim insurgerent, fœdaque et nimia censerent. Memoriæ proditur, Tiberium, quoties curiâ egrederetur, Græcis verbis in hunc modum eloqui solitum:—*O homines ad servitutem paratos!* Scilicet etiam illum, qui libertatem publicam nollet, tam projectæ servientium patientiæ tædebat."[2]

[1] Kames' *Sketches*, Vol. I. p. 399. [Book II. sketch iii.]
* [*Esprit*, &c., V. xiii.] [2] *Annales*, III. lxv.

The principles in human nature on which education operates in producing this servility, were undoubtedly intended for the most valuable purposes; to fit men for government, and to give to wisdom and virtue an ascendant over the physical force of the multitude. That they have produced more good than harm, on the whole, there is no reason to doubt; but experience shews, that in some unfortunate combinations of circumstances they may be rendered subservient to the establishment of a political order, infinitely more ruinous to the happiness and the virtue of mankind, than *anarchy* itself. The latter may, indeed, for a time, dissolve still more completely the moral elements of social life; but the violence and bloodshed which it inevitably occasions, lead, sooner or later, by a natural and necessary process, to their own correction. The chief danger which attends it, *in its ultimate result*, arises from the strong tendency of the human mind to pass from one extreme to another, and which has repeatedly, in the past history of our species, hurried men at once from the insubordination and misrule of a lawless licentiousness, into the dead and hopeless repose which despotism secures.

Montesquieu has said, that the *Principle of Despotism is Fear*.* I before observed, [p. 379, *seq.*,] that by the *principle of a government*, this author *seems* to have meant that national character which is favourable to the government, and which contributes to support it. In the present instance, therefore, Montesquieu's observation implies, that the most striking feature in the character of a people reduced to political slavery, is a universal timidity, jealousy, and mutual distrust; and the more we reflect on the remark, we shall be the more sensible of its significancy and importance. That in a despotism, the government could not subsist for a moment, unless the sovereign and his inferior officers were objects of dread to the body of the people, is a consideration *too* obvious to have formed the leading idea in Montesquieu's mind, when he stated this as a fundamental maxim in the theory of government. It is more than probable, that what he chiefly alluded to was the mutual

* [*Esprit*, &c., Liv. III. chap. ix.]

dread and distrust diffused among the members of the community by the jealousy of the prince,—a jealousy which renders it necessary in such an establishment, to prevent every combination, which, by making the subjects conscious of their own strength, might excite a spirit of liberty, and which naturally suggests the dreadful policy of destroying, as far as possible, the easy intercourse of social life, and even the confidence of domestic society. Such was the feeling of Tiberius when he called spies and informers the *guardians of the state;* and such was the condition of the Roman people during that melancholy period which led Tacitus to lament that "his *Annals* must want the grandeur and the variety of those histories which detail the transactions of free states; being little more," as he himself observes, "than the disgusting repetition of continued acts of cruelty, accusations, breaches of trust, violated friendships, and the ruin of the innocent."[1]

The idea which despotic governments have themselves entertained of the necessity of maintaining their empire over men, by a skilful management of their opinions and habits, appears remarkably from the anxious care they have uniformly taken to prevent every circumstance which might diminish the influence of *royalty* over the mind, by too great a familiarity with the person, or even with the *name* of the sovereign, and to check every idea which, by the most remote association, might lead men to conceptions unfavourable to the established authority. At Rome, it was high treason to sell a statue of an emperor; and it was doubted whether it was not high treason to hit an emperor's statue with a stone thrown at random.[2]

The account which Herodian gives of the funeral rites which were observed at Rome upon the death of an emperor, illustrates still more remarkably the anxiety of despotical governments to consecrate the prince in the opinion of his subjects.[3]

[1] Lib. IV. cap. xxxiii., quoted by [George] Gregory, p. 345.

[2] [*Pandectæ,*] Lib. V., Ad Legem Juliam Majestatis, quoted by Kames, *Sketches*, Vol. I. p. 397.—[Book II. sk. iii.]

[3] [*Historia,*] Lib. IV., quoted by Kames, *Sketches*, Vol. I. p. 398.—[Book II. sk. iii.]

"In Persia," says Sir John Chardin, "when the king has condemned a person, it is no longer lawful to intercede in his favour, or even to mention his name. Though he was drunk at the time he pronounced the sentence, the decree must be executed." "This," he adds, "has been the established practice in that country in all ages."[1]

While such is the condition of the subjects of a despotic government, that of the tyrant cannot be very secure. Where the minds of men, indeed, are completely darkened by ignorance and superstition, and where a long established despotism has deprived them of all recollection that they were born to be happy and free, the condition of the prince will necessarily be less perilous than in an empire, like that of Rome, where the memory of better times kept alive, in the breasts of a few individuals, a sense of the dignity and the rights of human nature. It is probable that the constant apprehensions and alarms which this circumstance must necessarily have produced in the minds of the Roman tyrants, was the occasion of those incredible and frantic acts of cruelty which are generally ascribed to a malignant and unrelenting disposition, delighting, for its own gratification, to diffuse misery among mankind,—a disposition, of which, I am inclined to think, human nature, in its worst state, is altogether incapable. The histories, therefore, of the cruelties of a Caligula, a Nero, and a Domitian, while they illustrate the misery of the subjects in a despotical government, illustrate, at the same time, the apprehensions which it is natural for the sovereign to entertain with respect to his own safety.[2]

In stating the evils of despotical governments, I must not omit to mention the violence and bloodshed which take place at the commencement of every new reign. In countries where there is no established law, it is impossible that there should be a fixed order of succession.[3] The election depends on the will of the prince; but it is often productive of a civil war; and

[1] *Travels*, &c., as quoted by Montesquieu, Book III. chap. x.

[2] Suetonius, *Vit. Cal.*, capp. xxvii., xxviii., xxx.; *Vit. Ner.*, capp. xxvi., xxxiii., xxxiv.; *Vit. Dom.*, capp. x., xi.

[3] Gibbon, *Decline and Fall*, cap. vii.

even where it is not, the new sovereign finds it expedient, for the security of his crown, either to despatch his nearest relations, or by some acts of violence on their persons, to disqualify them from ever aspiring to the government. In Turkey it is usual for him to strangle his brothers; in Persia, to put out their eyes; and in the Mogul's country, precautions are taken to deprive them of their understanding;—where these severities are not exercised, a civil war seems to be almost inevitable. Accordingly, this is said to take place in Morocco upon every vacancy in the throne.[1]

After the view which has been given of the nature and consequences of despotism, how painful the reflection that this should have been the melancholy condition of so great a proportion of mankind in every age of the world, and that it should continue, at this hour, to depopulate and desolate the fairest regions of the earth! How painful the reflection, that, with all their natural and irresistible desires of happiness, and with all their capacities of attaining it, mankind should have been so often blind to their own real and best interests! We are mortified to think, that even we ourselves are indebted for the most valuable privileges we enjoy, rather to a fortunate and rare concurrence of accidental circumstances, than to the general course of human affairs; and while we feel the warmest gratitude to Providence for our own peculiar felicity, we can scarcely avoid trembling for the calamities which, amidst the possible revolutions of the world, may, at some future period, await our posterity. But is not this, in some measure, the language of a melancholy and desponding imagination; and do not both

[1] Montesquieu, *Esprit*, &c., Liv. V. chap. xiv.

From the fourth emperor of the Turks there has been none who has ascended the throne without the murder of some of his brothers, and hardly any who have died a natural death. Solymus I. dethroned and murdered his father, strangled his brother, and, afterwards repenting, put to death fifteen of those who had betrayed his brother into his hands. The five brothers of Amurath III. were strangled in his presence, and his mother, through grief, immediately stabbed herself. Mahomet III. began his reign by the murder of his brother, and of all his father's concubines.—[G.] Gregory's *Essays*, 1st edit. p. 348, [Essay, *Of certain Causes which may Subvert British Liberty;* 2d edit. p. 187.]

reason and experience concur in assuring us, that the condition of man is more likely to change for the better than for the worse, in that part of his history which is yet to come? Notwithstanding the lamentable effects of that awful political convulsion which has now, for so many years, agitated Europe, and which does not seem as yet to have spent its force, many important circumstances conspire to render the present situation of the human race essentially different from what it ever was in former times, and to promise a stability to science and civilisation which they never before possessed. The invention of printing is alone sufficient to change the whole face of human affairs. Formerly, the experience of each particular state was, in a great measure, confined to itself, and even there, was so completely lost to the body of the people, in the course of a few generations, that while the world was growing older, it had but little opportunity of accumulating political knowledge. It is only now that the advantages of historical information are extended to all ranks of men, and that the contemporary transactions of the various civilized nations upon earth are become subjects of daily interest and discussion to each other. The influence of this circumstance on the literary taste of the age has been very remarkable, tending everywhere, more or less, to turn the attention of speculative men from the idle subtleties of the schools, and the comparatively uninteresting pursuits of physical knowledge, to those studies which aim at the improvement and the happiness of society.

The conclusions to which these studies have already led, are, many of them, of the highest importance, and probably many more remain in store to reward the industry of our successors. But abstracting entirely from these more recondite doctrines, how incalculable is the value of those simple and elementary principles which, in this part of the world, (and more particularly in this fortunate island,) are interwoven by the daily operation of the press with all our habits of thinking; and which are sufficient of themselves, while the same cause exists to keep them in remembrance, to oppose an effectual barrier to the more violent usurpations of civil and religious tyranny?

To attempt, indeed, to extirpate from the world the knowledge of such truths as these, would be no less extravagant than to think of extirpating those grains and roots to which mankind trust as the staff of life.

These comfortable views with respect to the future state of the world, receive much additional encouragement from that liberal and enlightened commercial spirit which begins now to animate the different nations of Europe, and which will probably animate, at least in an equal degree, the inhabitants of another quarter of the globe: and we may add, from that communication which has been lately opened with distant and unknown nations, in consequence of a laudable spirit of curiosity and adventure, and, it is to be hoped, in some instances, from a still more laudable spirit of beneficence. The more we can unite mankind together by their common interest, the more effectual is the security we provide for the prosperity of the human race. If it is a necessary and inevitable law imposed on all political societies, that they shall have their vicissitudes of good and bad fortune, we may, at least, by a mutual communication of light, of spirit, and of virtue, prevent the extremity of ignorance, of slavery, and corruption. Genius will be always *somewhere* inventive and active for the benefit of the human race; and there will be always some happy corner where the sacred sparks of liberty will be kept alive, ready to rekindle its expiring flame in other nations. In the present state of the *commercial* world, we no longer dread the miseries of famine, because we find that where nature withholds her bounty from one quarter, she lavishes it on another. When a more perfect intercourse among nations is established, may we not hope for a similar remedy to those melancholy vicissitudes of fortune to which human affairs have always hitherto been subject?

But what I would chiefly rest my hopes upon, in looking forward to the future condition of mankind, is the influence which the science of *Political Economy* (a science in a great measure of modern origin) must necessarily have, in directing

the rulers of nations to just principles of administration, by shewing them how intimately the interests of government are connected with those of the people, and the authority which this science must gradually acquire over the minds both of the governors and the governed, in proportion as its fundamental principles are generally diffused and understood.

Mr. Hume has observed, that "though all kinds of government be improved in modern times, yet Monarchical governments seem to have made the greatest advances towards perfection. It may now be affirmed of civilized monarchies, what was formerly said in praise of republics alone, *that they are a government of laws, not of men.* They are found susceptible of order, method, and constancy, to a surprising degree. Property is there secure; industry encouraged; the arts flourish; and the prince lives secure among his subjects, like a father among his children. There are, perhaps, and have been for two centuries, nearly two hundred absolute princes, great and small, in Europe, and allowing twenty years to each reign, we may suppose that there have been in the whole, two thousand monarchs or tyrants, as the Greeks would have called them; yet there has not been one, not even Philip II. of Spain, so bad as Tiberius, Caligula, Nero, or Domitian, who were four in twelve among the Roman Emperors."*

For this very remarkable fact, [as previously observed,] I can assign no cause equal to the effect, but the diffusion of knowledge among all orders of men by means of the press, which has everywhere raised a bulwark against the oppression of rulers in the light and spirit of the people; and the influence which the study of Political Economy has had in guiding the councils even of absolute princes, to the improvement and happiness of their subjects;—considerations which open the most encouraging prospects with respect to the future history of the world, and which furnish, at the same time, an additional proof of what I have often remarked, that the science of Political Economy, much more than the theory of government, is en-

* [*Essays*, Vol. I.—Essay, *Of Civil Liberty*.]

titled in the present circumstances of mankind, to the attention of the speculative politician.

So much with respect to the *Simple Forms* of Government, and the inconveniences connected with those constitutions which approach nearly to those ideal models. I now proceed to consider in what manner the simple forms may be combined together, so as to secure the peculiar advantages of each, and to correct the evils which I have endeavoured to illustrate in the foregoing analysis.

[CHAPTER II.]

OF MIXED GOVERNMENTS.

[SECT. I.—OF MIXED GOVERNMENTS IN GENERAL.]

I BEFORE observed, [p. 353,] in stating the definitions of the *Three Simple Forms of Government*, that they do not apply literally to any establishments which have actually existed in the history of mankind, but are merely *abstractions*, formed by the speculative politician, in order to simplify the objects of his attention when employed in examining and comparing the constitutions of different states. The definition of *Democracy* (for example) admits no ground of distinction but *personal qualities;* and yet we may confidently affirm, that no state was ever to be found *so* popular as to exclude completely all regard to wealth, to birth, and to other adventitious sources of estimation. How difficult, or rather impossible, it is to eradicate this strong bias of our nature, appears remarkably from what Xenophon himself acknowledges concerning the character and manners of the Spartans, among whom he is obliged to confess (notwithstanding his strong partiality in their favour) that there was the same love of riches and of power which are complained of in other communities. There never surely was an *Aristocracy* so pure as to maintain such an exact equality among the members of the governing order, as might exclude entirely every tendency to *Monarchy;* nor was there ever an aristocracy in which superior talents and virtues might not procure to an individual of the lower order, a certain respect and influence in the society; and where the nominal rulers were not obliged, in some measure, to *share* their power, by courting the friendship of the popular favourites. I need scarcely add, that there never was a *Despotism* in which the

sovereign was literally, with respect to his subjects, absolute and omnipotent, and in which he lay under no restraint whatever, either from established customs and manners, or from political and religious opinions, or from apprehensions concerning his own personal security.

Every government, therefore, which has existed in the history of mankind, is more or less a *mixed government;* nay, every government will be found, if attentively examined, to contain a mixture of all the three simple forms. But as it is impossible, in common discourse, to convey, in a few words, a distinct idea of a particular constitution, and equally impossible to have separate names for all the varieties of government that may be imagined, we are obliged to use the expressions Democracy, Aristocracy, and Monarchy, with a considerable degree of latitude; and to distinguish different constitutions from each other, by the names of these simple forms to which they approach most nearly. It is easy to see, however, that it is only a very vague and imperfect notion of a constitution which we can form from merely hearing its name. We call, for example, the Athenian Government a *Democracy*, and perhaps there never was any which approached more nearly to the theory. "The people had both the executive and legislative power committed to them; they voted in a collective body in every law, without any limitation of property, without any distinction of rank; without control from any magistracy or senate; and the meanest among them might be raised, by the votes of his fellow-citizens, to the command of armies, or the dignity of ambassador."* Yet, in Athens, as I already observed, [p. 369, *seq.*,] from the battle of Marathon, the government was carried on by a series of ambitious and intriguing men, who possessed themselves of the whole power of the state, so that the government, though nominally *Democracy*, was in fact a *Monarchy*. Thucydides affirms, in direct terms, that, under Pericles, it differed from monarchy only in name. In Athens, too, adventitious sources of distinction were admitted, as well as in other constitutions; and we are even assured by Xeno-

* [Hume's *Essays*, Vol. I.—Essay, *Of some remarkable Customs.*]

phon, that those in general were chosen to command who could expend most in banquets and pageantry. Nor is this all; the freemen at Athens bore but a small proportion to the slaves, and *these* surely ought to be considered as a part of the community. In this boasted constitution, therefore, a great majority of the people not only had no share in the legislature, but were deprived of their rights as men. And, consequently, however jealous the free citizens might be of their own rights, their independent spirit did not arise from the avowed *principle* of a democracy, a regard to justice, and a sense of that *equality of rights* which republican writers profess to consider as the common inheritance of mankind.

The names of the other simple forms of government, when applied to particular constitutions, are used with the same latitude.

There is another circumstance which deserves our particular attention in studying this branch of politics. The nature and spirit of a government, as it is actually exercised at a particular period, cannot *always* be collected (perhaps it can *seldom* be collected) from an examination of written laws, or of the established forms of a constitution. These may continue the same for a long period of ages, while the government may be modified in its exercise, to a great extent, by gradual and indescribable alterations in the ideas, manners, and character of the people. The truth is, that besides the *established laws* of a country, the political state of the people is affected by an infinite variety of circumstances, of which no words can convey a conception, and which must be collected from actual and personal observation. Even in *this* way, it is not easy to collect them. On the contrary, nothing is more difficult than for a person who has received his education in one country, to enter into all the associations which influence the mind of a subject of a different government, or to ascertain, especially on political subjects, all the combinations of ideas he annexes to his words. One striking proof of this is the imperfect and erroneous notions which the ablest and best instructed French writers have formed of the constitution of England. Some of the articles of the *Encyclo-*

pédie upon this subject, contain mistakes which must appear ludicrous to the most imperfectly informed inhabitants of this country.[1] These mistakes have undoubtedly arisen, in part, from the theoretical views of the constitution which have been given by some of our own writers, and which by no means apply to the government as it is carried on at present, and partly from the different views which a Frenchman and an Englishman annex to the corresponding words in their languages. Thus, a person who conceives that the English word *commoner* is synonymous with the French word *roturier*, must necessarily have a very false notion of the constituent members of our House of Commons. A similar mistake is committed by those writers who imagine that the French and the English annex the same idea to the word *gentleman*. In the former country, it was a maxim, that every French Gentleman was a Nobleman, but that every French Nobleman was not a Gentleman.* A person to whom nobility was granted by the sovereign, or who was appointed to a charge conferring nobility, the transmissibility of which was suspended till it vested in his second descendant, was noble; but neither he nor his son was a gentleman: the grandson was the first gentleman of the family. In England, on the other hand, as no gentleman is a nobleman unless he is a peer of Parliament, the word *nobility* expresses an order in the state specifically and highly elevated, both by law and by public opinion, above the order of gentry. Various

[1] The following passage is to be found in *Encyclopédie Méthodique, Commerce*, Tom. III. Art. *Noblesse*:—"En Angleterre la loi des successions attribue aux aînés dans les familles nobles les biens immeubles à l'exclusion des cadets qui n'y ont aucune part. Ces cadets sans bien cherchent à réparer leurs pertes dans l'exercice du négoce, et c'est pour eux un moyen presque sûr de s'enrichir. Devenus riches, ils quittent la profession, ou même sans la quitter, leurs enfans rentrent dans tous les droits de la noblesse de leur famille; leurs aînés prennent le titre de *Milord* si leur naissance et la possession d'une terre pairie le leur permettent. Il faut néanmoins remarquer, que quelque fière que soit la noblesse Angloise, lorsque les nobles entrent en apprentissage, qui selon le réglement doit être de septs ans entiers, jamais ils ne se couvrent devant leur Maîtres, leur parlant et travaillant tête nue, quoique souvent le maître soit roturier, et de race marchande, et que les apprentis soient de la première noblesse."

* [And—that "the King can create a *Nobleman*, but is unable to make a *Gentleman*;" i.e., *a man of family*.]

other illustrations of the same thing might easily be offered; but the instances we have already produced are sufficient to shew the extreme difficulty of studying the political history of mankind, and of drawing inferences, with justness, from the *supposed* experience of one country for regulating the conduct of another. At the same time, it is proper to observe, before I conclude this head, that the remarks which have been made do not apply to the constitutions of the ancient states, with nearly the same force with which they apply to the great monarchies of modern Europe, which are incomparably more complicated in their actual structure, in consequence of that infinite diversity of ranks which has taken rise from the feudal ideas and institutions.

From what has been now said, it sufficiently appears, that where the speculative plan of a government, *as expressed in its laws*, approaches to the definition of one of the simple forms, there may, in fact, be a mixture in the *exercise* of the government, in consequence of the ideas, manners, and character of the people. What political writers, indeed, commonly call *Mixed Governments*, are constitutions which professedly share, by their fundamental principles, the *supreme or legislative power* among different orders of the community; such, for example, as the constitutions of those petty states in different parts of Europe, which divide this power between the collective body of the people and a privileged order; and the constitution of our own country, so strikingly distinguished from all others, by the systematic rigour with which it requires, in every legal enactment, the co-operation of all its three branches. Without, however, attending to the various incidental circumstances which may contribute to modify or restrain the *administration* of the government, we shall have a very imperfect and erroneous notion of the history of mankind.

Of the truth of this remark, no better illustration can be mentioned than the contrast presented by what are called *pure Monarchies* in this part of the world, to those despotical establishments which have been already under our review. In the former, although the same language be frequently applied to

them, and to the absolute monarchies of the East, the power of the sovereign is, in truth, very effectually counteracted and restrained by a variety of circumstances,—by the independent spirit which is kept alive in Europe by the free states it contains, and which, by means of the press, extends its influence even to the subjects of absolute governments, and, perhaps, in some degree, by that regular subordination of ranks which took its rise from the feudal institutions. It is *this* particular species of government, unknown to the politicians of antiquity, that Montesquieu has in his eye, when he speaks of monarchy as distinguished from despotism. "A monarchical government supposes," says he, "pre-eminences, ranks, and an hereditary nobility."*

The origin of that particular species of hereditary nobility which exists in the monarchies of modern Europe, was formerly explained. In its first form, undoubtedly, it was an institution oppressive and vexatious to the mass of the people; but a variety of circumstances have, in the progress of society, rendered it the mean of tempering the rigour of Monarchical government, and of diffusing refinement and civilisation among the inferior orders. The different ranks, too, in the state, have (more particularly in those countries where commerce is protected and honoured) been gradually blended together; and those distinctions which were formerly so wide and revolting, have been so softened, that it is often difficult to say where one rank ends and another begins. Other scales of estimation, also, beside birth, come in for their share in determining a man's rank:—*wealth* (for example) or *official dignity*, not to mention *talents* and *virtue;* and all these circumstances are combined together in adjusting the relative pretensions of individuals. Hence, in the monarchies of modern Europe, there is an infinite number of gradations of rank, from the lowest order of the community to the sovereign; the whole fabric of society bearing a resemblance (according to the happy allusion of Sir William Temple) to a *pyramid*, of which the undistinguished multitude forms the basis, and the prince the *apex*.

* [*Esprit*, &c., Liv. III. chap. vii.]

In such a state of society, an individual is trained from his infancy to acknowledge the influence of adventitious distinctions,—to consider every man as entitled to the rank which he inherits, or which is connected with his official situation,—to maintain with firmness that which belongs to himself, and to look forward to an advancement of it, as the great and ultimate object of his ambition. This regard to adventitious circumstances as the principal ground of distinction, is, I apprehend, what Montesquieu means by the word *honour*, when he says that it is *the principle* of a monarchy. "It is the nature of honour," says he, "to aspire to preferments and distinguishing titles."* It is evident that by the word *virtue*, when applied to express the principle of a democracy, he means the love of equality, or a disposition to class men according to their personal qualities; and, as he always contrasts the principles of Democracy and Monarchy, it would seem that he apprehended that the latter form of government is chiefly supported by a regard to those distinctions which birth and fortune, and official dignities, create. In what manner this principle influences the conduct in a *monarchy*, and how it contributes to distinguish it from a *despotism*, he has explained in Book III. chapters vii. viii.[1]

It was in consequence of such ideas and sentiments, arising from a regular subordination of ranks, aided by established opinions and customs, and by the fire which the people all over Europe had caught from the free states in their neighbourhood, that the power of the sovereign in France was limited under the monarchical government. In the language of the *French law*, he was the vicegerent of God, and accountable to Him alone for the exercise of his authority; nor was there any *constitutional* check on his authority of much importance, for the registering of his Edicts, in order to give them the force of laws, had become, in a great measure, matter of form, and was but a poor relic of the ancient power of the States, by which, in former times, the regal authority was so effectually restrained

* [Ibid.]

[1] See also Book II. chap. iv., and Book IV. chap. ii.

The great check, in fact, upon government in that country, arose from established opinions and customs, and from the character and manners of the people.

I cannot help taking this opportunity of remarking, that Montesquieu was led by an *excusable* partiality, perhaps, in favour of the government under which he had been educated, and probably in some degree also by prudential considerations, to insist too much on the distinction between Monarchy and Despotism. If, indeed, by monarchy he had meant such a government as the English, in which the authority of the king is subjected to constitutional checks, the distinction would have been as complete and as essential as between any two forms of government whatever. But the *monarchy* which he describes is restrained and moderated only by the character and circumstances of the people among whom it is established; in other words, a government which—although, in its ordinary exercise, it may, from prudential considerations, respect the claims and the happiness of such orders of its subjects as can combine together in opposition to its oppressions—acknowledges no legal or constitutional restraints, and wherever it can *safely* exert its authority, exhibits all the spirit of despotism. In reading this part of his writings, indeed, it is difficult to know when to praise or to blame: for he seems to have been actuated by a variety of motives in his reflections; sometimes by a sincere desire to justify that political order to which he had been accustomed; sometimes by a wish to strengthen those opinions and prejudices, which, however ineffectual to accomplish uniformly the purposes of a good government, had yet been found by experience to be, in ordinary cases, of material advantage to the public; and sometimes (one would imagine from the ironical, though apparently dispassionate, account he gives of the effects of the actual establishment) by a secret design to suggest indirectly to his countrymen the superior excellence of a monarchy subjected, like that of England, to constitutional limitations. While we regret, therefore, the ambiguous and enigmatical style in which this great man occasionally expresses himself, we ought at the same time to recollect, that at

the period when he wrote, it was necessary for an author who was really anxious to be useful to his country, to draw occasionally a slight veil over the truth; or at least, to content himself with stating *premises* to his readers, leaving it to themselves to draw the inferences. I mention these circumstances, partly because they appear to me to furnish a key to many apparent inconsistencies in the *Spirit of Laws*, and partly from a desire of vindicating the character of Montesquieu against the censures which it has incurred from some authors in our own country, who, enjoying the unrestrained liberty of the press, and supported in their sentiments by public opinion, do not make proper allowances for their predecessors in the same line of study, who did not possess the same advantages.

The following quotations will serve, at once, to explain my meaning in the foregoing remarks, and to shew that they are not without foundation.

It may be proper to observe, before we proceed, that as Turkey is Montesquieu's model of Despotism, so France is the country which he has in his eye when he speaks of the spirit of Monarchy.

"In a monarchical government, intermediate bodies of men between the king and the lower orders of the people, the jurisdiction of the clergy, luxury, the venality of offices, the multiplicity of laws, appear to be indispensable."*

"The state exists independently of the love of one's country, of the desire of true glory, of self-denial, and of a disinterested spirit. The laws supply the place of all these virtues."† He adds, "that idleness, meanness, an aversion for the truth, flattery, treason, perfidy, a contempt of the duties which belong to the citizen, a dread of the virtues of the prince, an interested satisfaction in his weaknesses, a delight in turning virtue into ridicule, form the character of the greater number of courtiers. Now," says he, "it is difficult to suppose that the majority of the leading men in the state should be dishonest, and their inferiors men of virtue. And indeed, Cardinal Richelieu insinuates in his *Political Testament*, that if

* [*Esprit*, &c., Liv. III. chap. iv.] † [Ibid. chap. v.]

among the people an individual should be found who is so unfortunate as to be honest, the prince should be cautious how he avails himself of his services; so true it is, that virtue is not the principle of this species of government."*

Montesquieu farther remarks, that "in place of virtue, monarchy has for its principle *honour*, or in other words, the prejudices arising from the education and the condition of each individual. . . . Thus," says he, "in a well-regulated monarchy, you will everywhere meet with men who approach to the character of good citizens: but good men will occur very rarely; for to be good one must have the disposition to be so."† He adds, that "philosophically speaking, it is a false honour which conducts all the parts of which the state is composed."‡ In another part of this work, he points out the education which is fitted for a monarchy. He observes, that "the virtues which there appear, always result more from a sense of what we owe to ourselves, than of what we owe to others; that the actions of men are less valued for their rectitude than for their splendour; that honour is either the judge who renders them lawful, or the sophist who pleads their apology; that it sanctions gallantry, intrigue, flattery; that it admits of a certain species of openness, but despises that of the people which is founded on truth and simplicity:—and above all, that it exalts that politeness which originates from pride and the love of distinction. . . . To communicate all these qualities, is the great object of education in forming *the man of honour*, (pour faire ce qu'on appele l'honnête homme,) who has all the virtues which are necessary under this form of government."§

In the last place, Montesquieu remarks, that "monarchies encourage, in the other sex, a licentiousness of morals."‖

For supporting that *honour* which is the principle of this government, he recommends the preservation of all those hereditary privileges which have arisen from the Feudal system. He does not even leave the people the right of granting their

* [Ibid.]
† [Ibid. chap. vi.]
‡ [Ibid. chap. vii.]
§ [Ibid. Liv. IV. chap. ii.]
‖ [Ibid.]

consent to the taxes they are to pay; he only recommends to those who are in authority, "not to make their burdens heavier than what is necessary."*

In these passages, as well as in various others, there is unquestionably a mixture of delicate *satire*, which has been often overlooked by Montesquieu's commentators. He seems indeed to have dreaded nothing so much as a hasty perusal of his political speculations. "I entreat," says he in his *Preface*, "one favour of my readers, which I fear will *not* be granted me;—that they may not judge by a few hours' reading of the labour of twenty years." Voltaire, too, although he has on various occasions expressed himself sarcastically with respect to this great man, particularly on account of the inaccuracy of his facts and quotations, has, in one instance, remarked in strong and beautiful terms that depth of reflection which he often conceals from common observers by a style epigrammatic and oracular, and adorned with the delicate lights and graces which so frequently accompany superficial attainments:—"That masculine and rapid genius, which dived to the bottom of every subject, while it seemed only to glance upon the surface."[1]

From what has been already said of the Athenian government, considered as a model of *Democracy*, and of the French Government as a model of *Monarchy*, it appears how difficult it is to judge of the political state of a nation from an examination of their written laws; and that a constitution approaching in theory to one of the simple forms may, in fact, be a mixed constitution in its exercise. We now proceed to make some remarks on governments, which are *professedly mixed*, and which, by the plan of their constitution, admit different orders of the community to a share in the legislative authority.

That those governments which approach nearly to the simple forms, are all attended with inconvenience, and that the business of political wisdom lies in properly combining them together, was remarked by some of the great writers of anti-

* [Ibid. Liv. V. chap. ix.]

[1] "Ce génie male et rapide qui approfondit tout en paroissant tout effleurer."—[*Discours à l'Académie Française*, (*Œuvres*, Tome VIII. p. 661, edit. 1817.)]

quity. On this subject they have left us many valuable observations, although their limited acquaintance with the history of mankind necessarily rendered their views of the subject, in many respects, partial and erroneous. The history of modern Europe has furnished us with many important experiments and facts unknown to them, and has pointed out to us clearly a variety of their mistakes. But still our stock of facts is small when compared with the boundless field of speculation which the theory of government presents to the mind; and therefore it is highly probable that many of the maxims which are now current among our most enlightened politicians, will be treated with ridicule by our wiser posterity. Nor is it going too far to say with Mr. Hume, that "the world is too young as yet to entitle us to form political predictions with confidence from the history of past ages."*

"It is customary among writers to establish *three* sorts of government," says Polybius, "Kingly governments, Aristocracy, and Democracy; upon which one may very properly ask them, whether they mean to state *these* as the *only forms* of government, or as the *best;* for in both cases they seem to be in an error, since it is manifest that the best form of government is that which is compounded of all three. This," says he, "is founded not only on reason, but in experience; Lycurgus having set the example of this form of government in the institution of the Lacedemonian Commonwealth."

"This legislator then," Polybius continues, "having considered with himself, that, according to the necessary and established course of all things, the several accidents and changes that have now been mentioned were inevitable, formed this conclusion; that every simple and single kind of government was insecure, on account of its proneness to degenerate into that more vicious kind, which was most nearly allied to it by nature. For as rust is the inbred bane of iron, and worms of wood; and as these substances, even though they should escape all external violence, at last fall a prey to the evils that are, as it were, congenital with them; in the same manner likewise,

* [*Essays*, Vol. I.—Essay, *Of Civil Liberty;* apparently quoted from memory.]

every single kind of government breeds within itself some certain kind of vice, which is attached by nature to its very form, and which soon causes its destruction. Thus Royalty degenerates into tyranny; Aristocracy into oligarchy; and Democracy into savage violence. Nor is it possible, as we have already shewn, but that, in the course of time, these conversions must be thus produced. Lycurgus, therefore, foreseeing this necessity, instead of adopting any one of the single forms of government, collected what was excellent in them all, and so joined together the principles that were peculiar to each several form, that no one of them might be extended beyond proper bounds, and slide into the evil to which it was inclined by nature. But that each separate power, being still counteracted by the rest, might be retained in due position, and the whole government be preserved in equal balance, as a vessel when impelled to either side by the wind, is kept steady by a contrary force. Thus, the dread of the people, to whom a certain share was allotted in the government, restrained the excesses and the abuse of royalty. The people, on the other hand, were retained in a due submission to the kings, by their apprehension of the power of the senate. For the members of the senate being all selected from the best among the citizens, were always ready to support the cause of justice; and by throwing their own weight into the scale when either was in danger of being oppressed by the other, to give such strength to the weakest party as the constitution of the state required. By these means the Lacedemonians preserved their liberty entire for a *much longer time than* other people."[1]

The same author remarks, that "all the three forms were blended in the Roman Commonwealth, in such a manner as to render it impossible even for a Roman citizen to assert positively whether the Government was on the whole Aristocratical, Democratical, or Monarchical; for when we attend to the power of the consuls, the government plainly appears to approach to a monarchical description; when we attend to the

[1] Hampton's *Polybius*, Vol. III. p. 19.—[In the original History, Book VI. chapter ix., *seq.*]

senate, it seems to be an Aristocracy; and when to the people, a Democracy."

This observation of Polybius with respect to the state of the Roman Government, at the time when he had an opportunity of studying it, has always appeared to me to reflect peculiar honour on his penetration, and *that* on account of the very circumstance which has led Grotius to criticise it. "But neither," says Grotius, "in this instance, do I follow the authority of Polybius, who refers the Roman Commonwealth to the class of *mixed* governments; for at the time of which Polybius speaks, it was purely a *popular* government, if, abstracting from its actual administration, we attend to the constitutional claims of the people."[1]

Among the numerous commentators of Grotius, there is one who has very modestly suggested the true answer to this objection.

"Auctor inter eos qui circa formas imperii falluntur, etiam Polybium refert, qui Rempublicam Romanam suis temporibus mixtam fuisse dicent. At bene notandum, Polybium non loqui de mixtura *status*, sed *administrationis;* forma enim reipublicæ erat mere popularis, sed administratio divisa fuit inter Consules, Senatum et Populum."* It is here very justly observed, that Polybius is not, in the foregoing passage, speaking of the *theory* of the Roman Constitution, (about which there could be no diversity of opinion,) but of what common observers (as I formerly remarked [*supra*, p. 404,]) are so apt to overlook, —the *actual state* of that constitution, modified as it was by time, and chance, and experience. That he was perfectly aware, too, of this distinction himself, appears from the following passage, (immediately following that already quoted concerning the constitution of Sparta,) in which, with admirable sagacity, he

[1] "Sed nec Polybii hic utor auctoritate, qui ad mixtum genus reipublicæ refert Romanam rempublicam, quæ illo tempore, si *non actiones ipsas*, sed *jus agendi* respicimus, mere fuit popularis: Nam et senatus auctoritatis, quam ad optimatum regimen refert, et consulum, quos quasi reges fuisse vult, subdita erat populo. Idem de aliorum politica scribentium sententiis dictum volo, qui magis *externam speciem et quotidianam administrationem* quam *jus ipsum summi imperii* spectare, congruens ducunt suo instituto."—[*De Jure Belli*, &c.,] Lib. I. cap. iii. [§ 19.]

* [See the Commentary of Henry de Cocceii, on Lib. I. c. iii. § 19.]

contrasts the Roman Government, which was the gradual result of circumstances and emergencies, with that of the Lacedemonians, which he considered (whether justly or not is a different question) as planned by the foresight and sagacity of Lycurgus. "And thus it was that Lycurgus, having been taught by reason to foresee a certain train of causes and events, was able to give a lasting strength to his establishments. The Romans, on the other hand, though they *arrived*, indeed, at the same perfection in the constitution of their state, were not led to it by foresight or by reason. But, during the course of many contests and disorders, in which they were engaged, having been careful always to adopt, upon every change, such improvements as the occasion itself suggested to them, they at last obtained the same end likewise, as that which Lycurgus had proposed, and completed the most beautiful frame of government of all that *are* in our times known."[1]

In the writings of Cicero, various passages occur to the same purpose with that which I have now quoted from Polybius. "Statuo," says he in one of his fragments,[2] "esse optime constitutam rempublicam quo ex tribus generibus illis, *Regali*, *Optimo*, et *Populari*, est modice confusa." And in another passage he has endeavoured to illustrate this observation by comparing the political order which results from such a combination of powers, to the harmony resulting from the different parts in a musical concert. "Ut in fidibus ac tibiis, atque cantu ipso ac vocibus, concentus est quidam tenendus ex distinctis sonis, quem immutatum ac discrepantem aures eruditæ ferre non possunt, isque concentus ex dissimillimarum vocum moderatione concors tamen efficitur et congruens: sic ex summis et infimis et mediis interjectis ordinibus, ut sonis, moderata ratione civitas consensu dissimillimorum concinit; et quæ harmonia a musicis dicitur in cantu, ea est in civitate concordia; arctissi-

[1] "On a injustement accusé les anciens de n'avoir pas eu l'idée d'une monarchie temperée.

"Aristotle en a posé l'équilibre sur la distinction des trois pouvoirs, et Lycurgue en avoit fait la base du gouvernement de Lacedomène."—See Barthélemi, *Voyages d'Anacharsis*.

[2] *De Republica*, [Lib. II.]

mum atque optimum, omni in republica, vinculum incolumitatis; quæ sine justitia nullo pacto esse potest."*

To these quotations I shall only add the well-known passage in Tacitus, in which, though he expresses his doubts concerning the possibility of reducing the theory to practice, he admits the advantages which a mixed government, formed by a combination of the three simple forms, appears to possess in speculation. "Cunctas nationes et urbes, populus, aut primores, aut singuli regunt. Delecta ex his et consociata reipublicæ forma, laudari facilius quam evenire; vel, si evenit, haud diuturna esse potest."[1]

These passages may at first view appear somewhat extraordinary, when we consider that the *English Constitution* affords the first instance in the history of mankind in which the theory delineated by the ancient philosophers has been realized with success. But the truth is, that however difficult it may be to find such a combination of circumstances, as is favourable to the establishment of such a government, the advantages likely to result from it, supposing it to exist, are abundantly obvious. Indeed, the general idea of it is suggested to us by the principles of human nature, and the common course of human affairs.

I before took notice [*supra*, p. 402] of that natural aristocracy which we find in every community, arising from the original differences among men, in respect of intellectual and moral qualities. That these were intended to lay a foundation for civil government, no man can doubt who does not reject altogether the inferences which are drawn from the appearances of design in the human constitution.

As the possession of power, however, is to the best of men a source of corruption, the general utility requires that some checks should be imposed on the pretensions of the aristocracy; and the only effectual checks may be easily perceived to be, a *popular assembly*, on the one hand, to secure the enactment of equal laws, and a *single magistrate*, on the other, possessing the sole executive power, to prevent the competitions and rivalships among the order of nobility.

* [Ibid.]

[1] *Annales*, Lib. IV. [cap. xxxiii.]

The fact which I have now stated with respect to the existence of a natural Aristocracy in every community, as well as the advantages to be derived from it, if properly restrained and regulated, and the mischiefs to be apprehended from it, on a contrary supposition, are eloquently described in the following passage from Lord Bolingbroke:—"It seems to me, that, in order to sustain the moral system of the universe, at a certain point, far below that of ideal perfection, (for we are made capable of conceiving what we are not capable of attaining,) it has pleased the author of Nature to mingle, from time to time, among the societies of men, a few, and but a few, of those on whom He has been graciously pleased to confer a larger portion of the ethereal spirit than, in the ordinary course of His providence, He bestows on the sons of men. These are they who engross almost the whole reason of the species; who are born to direct, to guide, and to preserve. . . . If they retire from the world, their splendour accompanies them, and enlightens even the darkness of their retreat. If they take a part in public life, the effect is never indifferent. They either appear the instruments of Divine vengeance, and their course through the world is marked by desolation and oppression, by poverty and servitude; or they are the guardian angels of the country they inhabit, studious to avert the most distant evil, and to procure peace and plenty, and the greatest of human blessings,—Liberty."*

Since, then, there is in every society a natural aristocracy, arising partly from original inequalities among men, and partly from the influence of birth and fortune, in what manner shall the legislator avail himself of the assistance of those who compose it, and, at the same time, guard against the dangers to be apprehended from their uncontrolled authority? The answer seems obvious. Form that order of men who, from their situation in life, are most likely to comprehend the greatest number of individuals of this description, into a *senate* possessing no share of the executive power, and control their legislative

* [*Letter on the Spirit of Patriotism*, *Works*, Vol. IV. pp 187, 190.]

proceedings by the executive magistrate, *on the one hand*, and by an assembly of popular representatives *on the other*.

"The people without the senate," says Harrington, "would want wisdom; the senate without the people would want honesty."*

In stating these general principles, I would not be understood to insinuate, that it is possible to devise a plan of government universally applicable to all the situations of mankind. On the contrary, nothing can be more certain or more evident than this,—that as the form of a government has an influence on the character of the people, so there is a certain national character necessary to support the government, and which, while it continues the same, will render all violent innovations impracticable. Even where a Despotism is established, the situation of the people can be improved only by very slow degrees; and any violent attempt to alter it has, in general, produced only a change of masters, after a short paroxysm of bloodshed and anarchy.

Neither would I wish it to be understood, that governments have, in general, taken their rise from political wisdom. On the contrary, almost every one of which we have any account has been the gradual result of time and experience, of circumstances and emergencies. This we may affirm to have been universally the case with those which have taken their rise in the rude periods of society; for surely no person, without extreme credulity, can listen to the accounts in ancient historians, of those fabulous legislators, who, by the force of eloquence, or the reputation of wisdom, assembled together a set of savages, who formerly wandered in the woods, convinced them of the utility of government, and persuaded them to submit to any regulations they should think proper to prescribe. The case is considerably different in a more enlightened age. A statesman may avail himself of the power he possesses in introducing new institutions which, in process of time, may produce important effects on the character of a nation; or a people who have been trained to political order under one form

* [*Oceana.*]

of government, may, after a violent revolution, choose (like the American States) to introduce among themselves a new set of usages and institutions. But even in such instances, there are certain limits within which innovations are practicable. They must have a certain degree of reference to the character and manners of the people, otherwise it is impossible that they should permanently maintain the good order or secure the happiness of the community.

Of the necessity of accommodating every new institution to the character of those for whom it is intended, Bacon has taken notice in the First Book, *De Augmentis Scientiarum*, in which he also remarks the danger which literary men run of overlooking this consideration, from the familiar acquaintance they acquire in the course of their studies with the ideas and sentiments of better ages. He says:—

"Solon interrogatus, an optimas civibus suis dedisset Leges? 'Optimas,' inquit, 'ex illis, quas ipsi voluissent accipere.' Ita Plato, videns corruptiores suorum civium mores quam ut ipse ferre posset, ab omni publico munere abstinuit, dicens: 'Sic cum Patria agendum esse ut cum Parentibus; hoc est, suasu, non violentia, obtestando, non contestando.' Atque hoc ipsum cavet ille, qui a consiliis Cæsari: 'Non,' inquit, 'ad vetera instituta revocans, quæ jampridem corruptis moribus ludibrio sunt.' Cicero etiam hujus erroris arguit Catonem secundum Attico suo scribens; 'Cato optime sentit, sed nocet interdum Reipublicæ; loquitur enim, tanquam in Republica Platonis, non tanquam in fæce Romuli.'"*

We may observe, farther, as a proof of the impossibility of establishing general political rules, which are to apply universally to mankind, that the institutions which it is expedient for a state to adopt, are often determined by circumstances external to itself; by the relation, for example, in which it stands to the states in its neighbourhood.

Thus when Charles the Seventh of France, under the pretence of keeping always on foot a force sufficient to defend the kingdom against the sudden invasions of the English, esta-

* [*Works*, Vol. VIII. p. 22, Montagu's edition.]

blished the first standing army known in Europe,[1] self-preservation made it necessary for the other nations of the Continent to follow his example; and in this manner a change which essentially affected their internal policy was recommended to them, or rather forced upon them, by the measures of a foreign prince.

The extent of territory too, and the amount of population which a state may possess with advantage, (in either of which a change will require a correspondent change in the political institutions,) may frequently depend on circumstances external to itself. In the case of states placed in the neighbourhood of each other, a certain equality is necessary to procure to each that degree of consideration which may secure its independence. In the opinions of many politicians, the happiest situation, and the most favourable to the human character, in which mankind have ever been placed, is where they have been formed into small and independent Republics; but in modern Europe, the Republics of the same extent, with those of ancient Greece, appear so insignificant when compared with the extensive monarchies with which they are surrounded, that they resemble (to borrow an allusion of Dr. Ferguson's) the shrubs in a wood which are choked by the trees under whose shadow they grow.* The disproportion is so great as to frustrate the advantages with which they would otherwise be attended. The same author remarks, that "when the kingdoms of Spain were united; when the great fiefs in France were annexed to the Crown, it was no longer expedient for the nations of Great Britain to continue disjoined."† Abstracting entirely from their relative interests, or the comparative advantages which they derived from the union of the crowns, the alterations in the state of the great continental powers rendered that event equally necessary to the safety of both.

These miscellaneous remarks may, I hope, be of some use as a supplement to the theoretical views of government given by Montesquieu and his commentators.

[1] A.D. 1445. See Robertson, Vol. I. p. 94, [Dublin edit. 1770. *Charles V., Preliminary View of the State of Europe*, Sect. ii.]

* [*Essay on Civil Society*, Part I. Sect. ix. p. 100, edit. 1793.]

† [Ibid. p. 99.]

I now proceed to make a few observations on the peculiar advantages of that combination of political powers which takes place in our own constitution.

Before, however, I enter on this subject, it may be proper for me to explain the idea I annex to the word *Constitution*, a word often used in a very vague and inaccurate manner, and which has sometimes been defined in such a way as to convey a false notion of the *origin* of our government. Such an explanation is the more necessary, as in consequence of an erroneous conception of the true import of this expression, some foreign politicians have been led to assert, that in England there is no constitution at all; inasmuch as there are no fundamental laws of superior authority to the Acts of the existing legislature. The English Government (it is said) has been the gradual offspring of circumstances and events, and its different parts arose at different times;—some of them from acts of the legislature prompted by emergencies, and some of them from long established customs or usages, of which it is not always possible to trace the origin, so that no part of it is sanctioned by an authority paramount to that which gives force to every other law by which we are governed. It is pretended, therefore, that there are no fundamental or essential principles in our government, which fix a limit to the possibility of legislative encroachment, and to which an appeal could be made, if a particular law should appear to be hostile to the rights and liberties of the people. But surely the conclusion in this argument does not follow from the premises. For do we not every day speak of laws being *constitutional* or *unconstitutional;* and do not these words convey to men of plain understanding a very distinct and intelligible meaning, a meaning which no person can pretend to misapprehend, who is not disposed to cavil about expressions?

It appears to me, that what we call the *constitution* differs from our other laws, not in its *origin*, but in the *importance of the subject to which it refers, and in the systematical connexion of its different principles.* It may, I think, be defined to be that form of government, and that mode of administrating it,

which is agreeable to the *general* spirit and tendency of our established laws and usages.

According to this view of the subject, I apprehend that the constitution, *taken as a whole*, ought to modify every new institution which is introduced, so that it may accord with its general *spirit;* although every part of this constitution *taken separately*, arose itself from no higher authority than the common acts of our present legislature.

To illustrate this proposition it may be proper to remark, that although the Constitution was the gradual result of circumstances which may be regarded as accidental and irregular, yet that the very mode of its formation necessarily produced a certain consistence and analogy in its different parts, so as to give to the whole a sort of systematical appearance. For unless every new institution which was successively introduced, had possessed a certain reference or affinity to the laws and usages existing before, it could not possibly have been permanent in its operation. Wherever a Constitution has existed for ages, and men have enjoyed tranquillity under it, it is a proof that its great and fundamental principles are all animated by the same congenial spirit. In such a constitution, when any law contrary to the spirit of the rest is occasionally introduced, it soon falls into desuetude and oblivion; while those which accord in their general character and tendency, acquire additional stability from the influence of time, and from the mutual support which they lend to each other. Of such a law we may say with propriety that it is *unconstitutional*, not because we dispute the authority from which it proceeds, but because it is contrary to the spirit and analogy of the laws which we have been accustomed to obey.

Something similar to this obtains with respect to languages. *These*, as well as governments, are the gradual result of time and experience, and not of philosophical speculation: yet every language, in process of time, acquires a great degree of systematical beauty. When a new word, or a new combination of words, is introduced, it takes its rise from the same origin with every other expression which the language contains;—the

desire of an individual to communicate his own thoughts or feelings to others. But this consideration alone is not sufficient to justify the use of it. Before it is allowed by good writers or speakers to incorporate itself with those words which have the sanction of time in their favour, it must be shewn that it is not disagreeable to the general analogy of the language, otherwise it is soon laid aside as an innovation, revolting, anomalous, and *ungrammatical.* It is much in the same manner that we come to apply the epithet *unconstitutional* to a law.

The zeal, therefore, which genuine patriots have always shewn for the maintenance of the Constitution, so far from being unreasonable, will be most strongly felt by the prudent and intelligent, because such men know that political wisdom is much more the result of experience than of speculation; and that when a Constitution has been matured by such slow steps as ours has been, in consequence of the struggles of able and enlightened individuals, jealous of their liberties, and anxious to preserve them, it may be considered as the result of the accumulated experience and wisdom of ages; possessing *on that very account* the strongest of all possible recommendations and sanctions, an experimental proof of its excellence, of its fitness to perpetuate itself, and to promote the happiness of those who live under it.

[SECT. II.—ON, IN SPECIAL; AND PARTICULARLY] OF THE ENGLISH CONSTITUTION.

In illustrating the peculiar advantages of our own mixed Government, I have been accustomed to employ several lectures in describing its structure or organization, and in shewing how its different parts have been gradually systematized and perfected, partly by experience, and partly by a train of fortunate accidents, during a succession of ages. At this period of the season, however, I must not enter on so extensive a field; nor do I regret the omission much, as it is in my power to refer, with such advantage, to the excellent accounts given of our Constitution by Blackstone and De Lolme. I flatter myself, too,

that all of my hearers are sufficiently acquainted with its great outlines to follow the general reflections I have now to offer on its spirit and tendency.

Among the various excellences of the English Constitution, that which deserves our attention in the first place, is the *unity* of the executive power, and the *division* of the legislative. On both of these subjects some very judicious remarks have been made by De Lolme;* but the political discussions that have taken place since his work was first published, have furnished abundant matter for some additional observations.

I.—i. It is from the *executive power* that the principal dangers to liberty are always to be apprehended; and, therefore, the greater the facility which the constitution affords of tracing its abuses to their proper source, the greater is the security which the people enjoys. In states where the executive power is lodged in different hands, the personal consequence of each individual magistrate is indeed proportionally diminished, and on a superficial view of the subject, it might be imagined that the danger of an arbitrary Government is diminished of consequence. But in truth the case is otherwise. By this division of the executive power, its different depositaries are furnished with the means of committing abuses which cannot be brought home to the real delinquent; and the inconveniences suffered by the people have no effect in suggesting the means of guarding against them for the future.

The inconveniences resulting from this arrangement of things were universally experienced in what are commonly called the *Free States* of Antiquity, among whom the executive power, instead of being *one, permanent and indivisible*, was exercised by assemblies and senates, or by them delegated to an almost indefinite number of mutually independent ministers and generals. The consequence was, that the Government exercised an unlimited authority over rich and poor; and when the occasion required, *put in a state of requisition* (if I may adopt

* [*On the Constitution of England*, Book II. chaps. i.-iii. p. 195, *seq.*, edit. 1816.]

a modern phrase) both their persons and fortunes.[1] It is, however, extremely worthy of remark, that this very circumstance, which rendered their constitutions so inadequate to all the ends of *good government*, put it in their power, on various emergencies, to employ in times of war all the force of the state against their foreign enemies. The maxim, therefore, that the executive power in constitutions of a Republican form is necessarily weakened by being divided, although a most important maxim when properly understood, is so far from being just in the unqualified terms in which it is commonly stated, that it may with truth be affirmed, that in some instances this very division, by rendering its operations irregular and often invisible, removes the possibility of any check or control, and produces a military despotism, at once formidable abroad and oppressive at home. Additional illustrations of these remarks might be easily collected from the history of our own times.[2]

That there is nothing in these occasional exceptions inconsistent with the general principles formerly stated, (under the article of *Monarchy*, [*supra*, p. 386,]) concerning the vigour, secrecy, and despatch which the executive power derives from its *unity*, it is scarcely necessary for me to mention. The history of the Grecian Commonwealths itself, while it shews that the weakness likely to result from a plurality of executive magistrates may *sometimes* be counteracted by a concurrence of extraordinary circumstances, bears ample testimony to the inexpediency of such an arrangement as an established rule of policy in a military state.

But what I wish chiefly to remark, at present, is the fatal consequence of a division in the executive power, with respect to the rights and liberties of the people subjected to its authority. Proofs of this may be collected from almost every page of the Grecian history.

In England, on the contrary, the threatening aspect of the executive power has constantly kept alive the jealousy of the people;

[1] Many striking instances of this are mentioned by Dr. Gillies in the Introduction to his *Translation of the Orations of Lysias*.

[2] See also Gillies's *Aristotle*.

and while its unity exposed to their view the real causes of the grievances they felt, it reduced to one uniform system the precautions they took to bring it under proper restraint and regulation. "The executive power in England," says De Lolme, "is formidable, but then it is for ever the same; its resources are vast, but their nature is known; it is the indivisible and inalienable attribute of one person alone; but then all other persons, of whatever rank or degree, become really interested to restrain it within its proper bounds."*

ii.—Another advantage of the royal prerogative in our Constitution is, that the men to whom the people delegate their share in the legislation are bound, in common with themselves, by the laws which are made. Nay, all orders in the state are interested in the common cause of liberty, as they have nothing but the laws to protect them from the power of the executive magistrate.

iii.—By the same wise arrangement the Constitution has precluded (as far, perhaps, as any possible contingency in human affairs can be said to be precluded) those civil conflicts, by which the happiness and liberty of other states have been subverted. The minister, however aspiring; the popular leader, however turbulent; the general, however intoxicated by that idolatry which splendid military successes command, sees every channel obstructed by which he might hope to raise himself to dominion over his fellow-citizens. In Rome and other ancient republics, the want of a common superior encouraged popular and military leaders successively to aim at the sovereign authority, till the people at length sought a refuge from the miseries brought on them by the dissensions of the contending parties, in submission to absolute despotism. In this view, the monarchical part of our Constitution (restrained and limited as it is by the checks to be mentioned afterwards) is one of the strongest bulwarks of British liberty.

From these observations it sufficiently appears how important are the effects which depend on *the Unity of the Executive Power*. The salutary consequences resulting from

* [*On the Constitution of England*, Book II. chap. ii. p. 218, edit. 1816.]

the Division of the Legislative Power are not less deserving of attention.

II.—i. Of these advantages, one of the most obvious is the *steadiness* which is secured to our laws by the different views and interests of the several bodies of which our Legislature is composed. In this manner, indeed, obstacles may sometimes arise to laws which are highly salutary; but the mischiefs to be apprehended from this are trifling when compared with the evils connected with a fluctuation of laws, or with sudden and rash changes in established institutions. The inconveniences experienced in the ancient republics from a want of steadiness in the legislative code are well known, and were, indeed, of so alarming a nature, that they suggested some very extraordinary and seemingly absurd expedients for diminishing the dangers they threatened. Of this kind were the attempts which the Legislature made to tie up its own hands, from a mistrust of its future wisdom. "It appears," says Mr. Hume, "to have been a usual practice at Athens, on the establishment of any law esteemed very useful or popular, to prohibit for ever its abrogation or repeal. Thus the demagogue who diverted all the public revenues to the support of shows and spectacles, made it criminal so much as to move for a repeal of this law. Thus, Leptines moved for a law, not only to recall all the immunities formerly granted, but to deprive the people, for the future, of the power of granting any more. Thus, all bills of attainder were forbid, or laws that affected one Athenian, without extending to the whole commonwealth. These absurd clauses, by which the Legislature vainly attempted to bind itself for ever, proceeded from a universal sense in the people of their own levity and inconstancy."*

Were it not for the division of our Legislature, similar inconveniences would be experienced in England. I before took notice [*supra*, p. 362, *seq.*] of those sudden fits of enthusiasm and of frenzy to which all large bodies of men are subject. *Nations* such as ours, among whom a constant and almost instantaneous

* [*Essays*, Vol. I.—Essay, *Of some Remarkable Customs.*]

communication of intelligence and of opinions is kept up by the unrestrained liberty of the press, are liable to fits of enthusiasm and of frenzy scarcely less violent. "Opinions," says a late very ingenious writer, Mr. Paley, "are sometimes circulated amongst a multitude without proof or examination, acquiring confidence and reputation merely by being repeated from one to another; and passions founded on these opinions, diffusing themselves with a rapidity which can neither be accounted for nor resisted, may agitate a country with the most violent commotions. For obviating this danger, the most obvious of all expedients (if not the only expedient) is to erect different orders in the community, with separate prejudices and interests. And this may occasionally become the use of an hereditary nobility, invested with a share in the legislation. . . . Were the voice of the people always dictated by reflection; did every man, or even one man in a hundred, think for himself, or actually consider the measure he was about to approve or censure; or even were the body of the people tolerably stedfast in the judgment which they formed, I should hold the interference of a superior order to be not only superfluous, but wrong; for when everything is allowed to rank and education which the actual state of these advantages deserves, *that* after all is most likely to be right and expedient which appears to be so to the separate judgment and decision of a great majority of the nation; at least that in general is right *for them*, which is agreeable to their fixed opinions and desires. But when we observe what is urged as the public opinion, to be in truth the opinion only, or perhaps the feigned profession of a few crafty leaders,—that the numbers who join in the cry serve only to swell and multiply the sound, without any accession of judgment or exercise of understanding,—and that oftentimes the wisest councils have been thus overborne by tumult and uproar, we may conceive occasions to arise in which the commonwealth may be saved by the reluctance of the nobility to yield to the vehemence of temporary clamours. In expecting this advantage from an order of nobility, we do not suppose the nobility to be more unprejudiced than others. We only suppose that their prejudices

will be different from, and may occasionally counteract the variable prejudices of the multitude."*

These observations suggest an argument (which appears to me to have great force) against all constitutions that vest the legislative power *entirely* in assemblies of a popular description. I have repeatedly remarked, that the happiness of mankind depends *immediately* not on the form of government, but on the particular system of law and policy which that form introduces; and that the advantages which one form of government possesses over another, arise chiefly from the facility it affords for the accomplishment of such legislative improvements as the general interests of the community recommend. Under every form of government, (whatever it may be,) provided its general spirit be favourable to liberty, and allows an unrestrained freedom of discussion, these enlightened views of Political Economy will gradually and slowly prevail, in proportion to the progress of reason and the diffusion of knowledge. And they will command the general assent of mankind soonest in those countries where the constitution of the legislative branch renders its proceeding slow, deliberate, and systematical; and where a strong but regulated police allows men to prosecute those studies that relate to human affairs with the same calm and dispassionate temper with which truth is investigated in the abstract sciences.

ii.—A second advantage which we derive from this division of the Legislature is, that it establishes a sort of *balance* in the Constitution, so that if either of the three branches should attempt to extend its power too far, the other two might be expected to unite in opposing it. If the King should attempt to render himself independent of the House of Commons, the Lords (however little interested they might feel themselves in the cause of general liberty) would see the danger with which their own order was threatened. It is from the weight which the people have in the Constitution that the Peers derive their legislative authority; and if the House of Commons were anni-

* [*Moral and Political Philosophy*, Book VI. chap. vii.; *Works*, Vol. I. p. 429, *seq.*]

hilated, they would feel themselves degraded from the important station they now hold, to the insignificant distinction of adding to the parade of a despotic court. If, on the other hand, the Commons should attempt to reduce too far the King's prerogative, he might reckon with certainty on the support of his nobility. The attachment which they may all be supposed to feel to the monarchy from which they derived their titles and rank, and with which their titles and rank must inevitably fall, will, independently of better motives, secure their exertions in defence of the Constitution. Lastly, if we could conceive it to be possible, in the present state of society, for the House of Lords to revive their old aristocratical pretensions, the Crown and the People would unite in resisting a power, by which the one has in former times been so often insulted, and the other oppressed.[1]

Various instances might be mentioned in which the balance of our Constitution has been actually preserved in consequence of this opposition of interests. Thus, in the reign of Charles II., the attempts which the House of Commons made to annihilate the King's negative, by tacking Bills to money-bills, was checked by the House of Lords, who made it a standing order of the House to reject, upon the sight of them, all Bills that are tacked to money-bills. In the reign of William III., the House of Lords attempted to abridge the prerogative of the Crown in calling Parliaments, and judging of the proper times of doing it. They accordingly framed and carried in their House a bill for ascertaining the sitting of Parliament every year; but it was rejected by the Commons. Another attempt was made in the House of Lords soon after the accession of George I., to abridge the royal prerogative by limiting the number of the peerage. The Bill passed that House, and great pains were taken to ensure its success in the other; but fortunately for the Constitution, it was thrown out. I say *fortunately*, as this power of the Crown to create peers at pleasure is the most effectual check on the dangerous views which that House might form.

[1] See Paley, [Ibid. p. 427, *seq.*]

Of the advantages resulting from a division of the Legislature in a free government, some experimental proofs have occurred within these few years in the states beyond the Atlantic, of too striking a nature to be overlooked in a disquisition concerning the general principles of the British Constitution.

We are told, that in 1776, in the Convention of Pennsylvania, of which Dr. Franklin was President, a form of government by *one* assembly was before them in debate. A motion was made to add another assembly under the name of a Senate or Council, and was warmly supported by several members; when the President, at last, before the question was put, threw the weight of his authority into the opposite scale.* On this occasion it does not appear that he entered into any discussion on the subject; but the illustration he had recourse to was probably better fitted than any argument to make an impression on his hearers. "The expedient of two assemblies," he said, "appeared to him like a practice he had somewhere seen, of certain waggoners, who, when about to descend a steep hill with a heavy load, took off one pair of their cattle from before, and chained them to the hinder part of the waggon, so that the remaining horses might draw it, thus secured from the violence of its own momentum, slowly and safely down the descent."

It is a very curious circumstance, that the state of Pennsylvania, after having adopted a Constitution with but one legislative branch, should afterwards, from actual experience of its inconveniences, have divided the legislative power between a Senate of twenty-three members, and a House of Representatives of seventy-nine. The factions and disorders which the former Constitution produced were so violent, that in the Convention of 1790, which made the alteration, there appeared only four members in favour of the unity of legislation. All the other states in the Union which formerly had but a single branch, (one state alone excepted, that of Vermont,) have followed in this respect the example of Pennsylvania; so that

* [I do not apprehend the implied purport of the argument.]

the general sense and experience of the American politicians is *now* decidedly in favour of a division of the Legislature, *as* analogous as their circumstances enabled them to make it, to that which exists in the Constitution of England.

In reviewing the various modes in which this improvement has been effected in the several states, it is extremely interesting to consider the different expedients by which they have attempted to accomplish the ends secured in this country by a hereditary nobility. The Constitution of Maryland, in this respect, as well as in various others, reflects peculiar honour on the wisdom of its framers; and (if I have not been misinformed) the result has corresponded, in a very remarkable degree, to their expectations. "The appointment of *electors* for the express purpose of choosing the senators; the oath they take to select men most distinguished for their experience, talents, and virtues; their voting *by ballot*, in order to exclude the danger of influence; and the duration of five years:—these are almost peculiar to the Constitution of this state, and are, certainly, all of them very happily calculated to ensure a well-constituted senate."[1] Upon several occasions, accordingly, we are told that "their integrity and firmness have withstood the dangerous and tumultuous shocks of the more numerous branch;" and that "although they have at the moment been the subjects of popular indignation, yet returning reason and moderation have always rewarded them with the public esteem and affection. In the other States, the election of senators *immediately* by the people, has been found not only liable to cabal, but to make the senators too dependent on leading and intriguing characters in the several districts."[2]

It was long ago observed by Mr. Jefferson, in his *Notes on Virginia*, that "as the senate is intended to be a check on the popular branch, it ought to be constituted in some mode different from the other, either by electors, or by the people restricted by particular qualifications." He condemns also the

[1] *A Comparative View of the Constitutions of the Several States with each other, and with that of the United States.* By William Smith. Philadelphia, 1796, pp. 15, 16.

[2] Ibid.

Constitution of Virginia for having overlooked this important consideration. "The Senate," says he, "is too *homogeneous* with the House of Delegates." Being chosen by the same electors, at the same time, and out of the same subjects, the choice falls of course on men of the same description. *The purpose of establishing different houses of legislature, is to introduce the influence of different interests and different principles.* In some of the American States, the delegates and senators are so chosen, as that the first represent the persons, and the second the property of the State. But with us in Virginia, wealth and wisdom have an equal chance for admission into both Houses. We do not, therefore, derive from the separation of our legislature those benefits which a proper combination of principles is capable of producing, and those which can alone compensate the evils that may be produced by their dissensions." In Maryland and Kentucky alone, the mode of choosing by electors prevails. In several of the other States, the voters for senators must have a greater pecuniary qualification than the voters for the other branch; and the senators more property than the representatives.

Another respectable American statesmen (Mr. William Smith of South Carolina, who was lately minister from the United States at the Court of Lisbon) has remarked, that "while in other countries" (he plainly alludes to England) "the upper or *checking house* emanates from a different source than the people, *with us* all power must flow mediately or immediately from the same source; in order, therefore, to invigorate this branch with an adequate power of control, it is necessary that it should be less dependent on the people than the popular branch. The means employed for this purpose in Maryland and Kentucky appear to be the best. The time of greatest danger in representative governments is, when the *violent passions* which agitate the people have got possession of the popular branch. If the Senate be elected immediately by the people, it is not to be doubted that generally the same passions will pervade the Senate, or render all checks *ineffectual.* The longer duration of the Senate which exists in many states,

is certainly a considerable remedy to this evil; and the experience of the American people has, in all their revisions of their constitutions, (except that of Georgia,) invited them to make this *inequality* as great as may be thought to be consistent with a proper responsibility and dependence."[1]

The indirect *eulogium* which these facts and authorities convey on the constitution of our Upper House, is too obvious to require illustration.

III. A third circumstance which distinguishes the English Constitution from most other political establishments, is the power which the people have (by means of their representatives) not only of deliberating on new laws, and giving them their sanction, but of *proposing* laws to the consideration of the other branches of the Legislature.

In most of the ancient free states, the share of legislative power possessed by the people consisted merely in approving or rejecting the propositions made to them by those who were intrusted with the executive power. In the first times of the Roman Republic, the power of preparing the laws that were to be proposed was constantly exercised by the Senate. Laws were made *Populi jussu ex auctoritate Senatus.* "*Senatus censuit,*" says Livy,* "*populus jussit.*" Even in cases of elections, the previous approbation of the Senate, with regard to the candidates, was required. "*Tum enim magistratum non gerebat is, qui ceperat, si patres auctores non erant facti.*"[2]

At Venice, under the old government, the Senate also exercised powers of the same kind with regard to the Grand Council or Assembly of the Nobles. In the Canton of Berne, all propositions were discussed in the *Little* Council (which was composed of twenty-seven members) before they were laid before the Council of the Two Hundred, in whom resided the sovereignty of the whole Canton. And in Geneva the law was, that nothing should be treated in the General Council or Assembly of the Citizens, which had not been previously

[1] Ibid. p. 17.

[2] Cicero, *Pro Plancio*, [cap. iii.]

* [*Hist.*, Lib. XXXVII. cap. lv., *et pas im.*]

treated and approved in the Council of the Two Hundred; and that nothing should be treated of in the Council of the Two Hundred, which had not been previously treated and approved in the Council of Twenty-Five.

Something of this kind seems, indeed, to be necessary in Republican governments, to prevent rash acts of legislation, and to give stability to the laws. But the remedy threatens evils scarcely less alarming than those which it is intended to correct. They are well described in the following passage of De Lolme:—"These magistrates or bodies, at first, indeed, apply frequently to the Legislature for a grant of such branches of power as they dare not of themselves assume, or for the removal of such obstacles to their growing authority as they do not yet think it safe for them peremptorily to set aside. But when their authority has at last gained a sufficient degree of extent and stability, (as farther manifestations of the will of the legislative body could then only create obstructions to the exercise of their power,) they begin to consider the legislature as an enemy whom they must take great care never to rouse. They, consequently, convene the assembly as seldom as they can; and when they do convene it, they carefully avoid proposing anything favourable to public liberty. Soon they entirely cease to convene the assembly at all; and the people, after thus losing the power of legally asserting their rights, are exposed to that which is the highest degree of political ruin, the loss of even the remembrance of them, unless some indirect means are devised, by which they may, from time to time, give life to their dormant privileges,—means which may be found tolerably successful in small states, where provisions can more easily be made to answer their intended ends, but which, in states of considerable extent, have always proved in the event, a source of disorders of the same kind with those which were at first intended to be prevented."*

Here, then, there seems to be a dilemma in the theory of government, which presents to us only a choice of evils. "If the People debate," says Hume, "all is confusion. If they do

* [*On the Constitution of England*, Book II. chap. iv. p. 231, *seq.*, edit. 1816.]

not debate they can only resolve, and then the Senate carves for them."* Both evils are avoided (as far as it seems possible for human wisdom to guard against them) in the plan of our Constitution.

I already said, that the people have (by means of their representatives) a complete power of proposing whatever laws they please, to the consideration of the Legislature. But this is not all. They have prevailed on the executive power to renounce all claim to the *initiative* in acts of legislation, with the single exception of *acts of grace or pardon*.[1] The king, indeed, occasionally sends messages to either House; but these messages are always expressed in very general terms, desiring the House to take certain subjects under their consideration, without specifying any particular articles or clauses. The House proceeds in the same way as in the case of a petition from a private individual, some member making a motion upon it, and the bill being framed in the usual manner, and considered, during its discussion, as originating in this motion, not in the proposition of the sovereign. It is an understood principle, too, that neither the king nor his privy council can make any amendment on bills that have passed the two Houses, and that his prerogative extends only to a simple acceptance or rejection.

While a security is thus provided against the undue weight of the King or of the Upper House in acts of legislation, the evils resulting in most free states from popular deliberation, are prevented by the delegation of the power of the people to their representatives. Rousseau, indeed, in his *Social Contract*, considers this delegation as a renunciation of political freedom. "The people of England," says he, "think that they are free. They are much mistaken: they are so only during the election of members of parliament: so soon as these are elected the people are nothing."† In opposition to this very extravagant

* [*Essays*, Vol. I.—Essay, *Idea of a Perfect Commonwealth.*]

[1] "When an Act of grace or pardon is passed, it is first signed by his Majesty, and then read once only in each of the Houses, without any new engrossing or amendment."—*Blackstone*, Vol. I. p. 183, 12th ed.

† [Chap. xv.]

doctrine, it is justly observed by Rousseau's ingenious fellow-citizen, De Lolme, that it is "in consequence of delegating the power to a representative body, that the people of England have been enabled to resist the phalanx who would engross to themselves the honours and dominion of the state. This phalanx is, comparatively speaking, a small number, and therefore easily united. A small number must therefore be opposed to them, that a like union may be obtained. It is because they are a small number that they can deliberate on every occurrence, and never come to any resolution but such as are maturely weighed; it is because they are few that they can have forms which continually serve them for general standards to resort to, approved maxims to which they invariably adhere, and plans which they never lose sight of: here, therefore," continues De Lolme, "I repeat it, oppose to them a small number, and you will obtain the like advantages."*

The sum of De Lolme's general argument on the subject amounts to this:—That "a *representative* constitution places the remedy against the usurpations of those who govern in the hands of those who *feel* the disorder: whereas a *popular* constitution places it in the hands of those who *cause* it. And it is necessarily productive, in the event of the political calamity of trusting the means of repressing the invasions of power to the men who have the enjoyment of power."†

IV. A fourth and most important circumstance in the English Constitution distinguishes it from the other Monarchies of Europe, and is attended with advantages of so essential a nature, that I am surprised so little stress has in general been laid upon it by our political writers. What I allude to at present is the regular gradation of rank, from the lowest to the highest, which produces a far more intimate connexion between the different orders of the community than takes place under any other monarchical form of government.

It is very remarkable that England is the only country in

* [*On the Constitution of England*, B. II. chap. vi. p. 256, edit. 1816.]

† [Ibid. Book II. chap. viii. p. 270, edit. 1816.]

Europe where the distinction of *noble* and *not noble* is carried no further than the nature of the established government requires it should; because there the nobility do not, *as such*, form a *caste*, or class distinct from the rest of the nation, but only a separate order, by being an integrant part of the constitution. The prerogatives which the English Peers possess belong to them in their corporate capacity, whereas in other countries, the privileges of the *noblesse* being attached to them as individuals, are not apparently subservient to any purpose of political utility. In England, besides, the honours and privileges of the peerage are confined to the *head* of each noble family; and, of consequence, the rank of nobility is attached, not to noble descent considered abstractly, but to that situation alone in the state which renders an individual an hereditary legislator. The younger branches of these families, as they have no share in the legislature, are *Commoners* in the eye of the law; and as, in the course of a generation or two, they are lost in the general mass of the community, they serve as a link to connect together the interests of the two orders into which our constitution supposes the whole body of the people to be divided.

In other countries, where those who have been once ennobled transmit the honours and privileges of nobility to all their posterity alike, there is no link to connect the nobles with the rest of the nation; on the contrary, a line is drawn between them which separates them for ever, opposing an insurmountable obstacle to that harmony of views and interests which forms the principal security of a free Constitution.

The civil wars in England, and the usurpation of Oliver Cromwell, compensated, in some degree, for the many miserable consequences they produced, by discriminating, still more strongly than before, the ideas and manners of the English nation from those which were prevalent over the rest of Europe. "It is consolatory to reflect," says Sir Frederic Eden, "that amidst the desolating effects of civil dissension, the nation got rid of the prejudice, (which had too long prevailed both in England and on the Continent,) that the pur-

suits of trade were incompatible with the advantages of birth." Hume remarks, from Lord Clarendon, that "the influence of those ideas which the civil wars introduced, engaged the country gentlemen to bind their sons apprentices to merchants."* And it has been observed by a late writer, Mr. Chalmers, that "the civil wars which began in 1640 (unhappy as they were, while they continued, both to king and people) produced in the end the most salutary effects, by bringing the higher and lower ranks closer together, and by inspiring all of them with an activity and vigour that in former ages had no example."†

Having now endeavoured to illustrate some of the characteristical excellences of our Constitution, I shall offer a few remarks on an objection to the *division* of our Legislature, which was much insisted on by some foreign writers about the period when the French Revolution commenced. If the legislative power (it was urged) is really composed of three branches, which form constitutional and irresistible checks on each other, and if this division be not merely nominal and nugatory, one of two consequences must inevitably happen in every case where there is a difference in their views; either that the legislative power must be paralyzed and suspended for the moment, or that the political system must suffer a shock inconsistent with the order and stability of a well-constituted government. The objection was probably suggested by the following passage in Montesquieu's panegyric on the Constitution of England, in which, though he has indirectly hinted at the difficulty, he does not seem to have been fully aware of its true solution:— "The legislative body," he observes, "being composed of two parts, one checks the other by the mutual privilege of rejecting. They are both checked by the executive power, as the executive is by the legislative. These three powers," he adds, "should naturally form a state of repose or inaction. But as there is a necessity for movement in the course of human affairs, they are forced to move, but still to move in concert."‡ As Montesquieu has, in this instance, rather eluded than obviated

* [*History of England*, Commonwealth, chap. iii.]

† [*Estimate*, &c., c. iii. p. 44, ed. 1812.]

‡ [*Esprit des Loix*, Liv. XI. c. vi.]

the difficulty which he has pointed out to his readers; it is not surprising that this very vulnerable part of his theory should have presented a stumbling-block to such of them as derived their whole knowledge of our government from *The Spirit of Laws;* and accordingly, the objection to which it manifestly leads has been enlarged upon by some foreign politicians of no inconsiderable note. I shall therefore avail myself of this opportunity to point out at some length the mistaken views of our Constitution in which it has originated, more especially as the illustration of this argument will lead me to some criticisms, which appear to myself of importance, on the theoretical accounts of our government, to be found not only in Montesquieu, but in Blackstone and other constitutional lawyers of our own country, when these accounts are applied to the actual state of our political establishment. The same criticisms may be extended, though by no means equally applicable, to what has been written on this subject by the late ingenious and judicious De Lolme.

Before, however, I enter on this discussion, it is proper for me to observe, that I do not mean, by the remarks I am to offer, to convey the slightest censure on the writings of the eminent politicians I have now mentioned. Indeed, I apprehend it is absolutely necessary for every political student to *begin* his researches concerning our Constitution, by the perusal of some such general account of it as they have given; were it for no other reason than this, that their account is the *common* one given by political writers, and that, on questions of this nature, it is necessary not only to know what is true, but to know what has been thought and said by writers of reputation. In the present case, however, a farther and more important advantage may be derived from the speculations I refer to; because, although they are very far from being realized in our present government, yet they bear a certain resemblance to it; and as they do not distract the attention with a variety of anomalies which exist in reality, they lead the mind, easily and gradually, to a more distinct and just idea of the whole, than we should obtain if we attempted to comprehend so complicated a fabric,

by examining in detail all the different parts which compose it. From the remarks which are now to be made, it will appear that they have, moreover, a tendency to simplify the subject of our examination, by stating, as separate and distinct objects of attention, parts of the Constitution which are blended together in their actual operation.

The difference between the theory of our Government and its actual state, is owing to various causes. 1°.—Many of our ancient laws and forms remain, while the ideas of the people have undergone important changes; and great alterations have taken place in the relations which different orders of the community bear to each other. The two branches, for example, of our legislature still continue to be described in our laws in the same terms as they were formerly in a very different form of society; terms which certainly are apt to convey to those who look merely at the outside of things, very false ideas of their comparative rank and importance in the state at present. And, accordingly, if I am not much mistaken, they *do* convey, in general, to foreigners, ideas of a distinction analogous to that suggested by the words *patrician* and *plebeian* at Rome, or *noble* and *roturier* in France. 2°.—There are many *essential* circumstances in the *actual* state of our Government, which are not professedly parts of the Constitution, and which are not even mentioned in any of our laws; nay, some of which are directly contrary to our written laws, and to the plan of our Constitution as it exists on paper. It is sufficient for me to mention as an instance, the indirect influence of the King and Lords in the Lower House.

I shall endeavour to point out, as clearly and concisely as I can, some of the most important respects in which the actual state of our Government differs from the theory; after which, I shall offer a few remarks on the circumstances by which these differences have been produced, during the long period which has elapsed since its great outlines began first to attract the notice of the world, in the rough but bold and original draft of our barbarous progenitors.

i.—In the theoretical accounts of the Constitution, it is always

supposed that the three branches of the legislature are perfectly distinct from each other; and that the preservation of the Constitution depends on the different directions, and the relative proportions of these three powers. All this is perfectly agreeable to the language of the Constitution; for it ascribes to each of the branches an absolute negative on the determinations of the two others. But is this really the fact? or will any man pretend, that each of the three branches *can* exercise the *veto* with equal effect and equal advantage? With respect to *one* branch of the Legislature, the King, it seems now to be an acknowledged fact, that he never *can* exercise his negative without endangering the public tranquillity. The last time it was exerted was in the year 1692, by William III., who at first refused his assent to the Bill for Triennial Parliaments, but was prevailed on to sanction its enactment two years afterwards.[1] The power, indeed, vested in the sovereign, of dissolving Parliament at pleasure, amounts to a *virtual* negative on those acts of the legislature of which he disapproves; but this prerogative, it is manifest, wherever it accomplishes its object, supposes the voice of the *people* (to whom the appeal is made) to be at variance with the measures of their constitutional representatives. It must, therefore, be evidently an experiment, fraught with danger to those legitimate authorities, whose proceedings are thus subjected to the immediate discussions and censures of an inflamed and unthinking multitude. The power of dissolving Parliament, accordingly, is pronounced by Mr. Burke in one of his ablest and most judicious productions, to be "of all the trusts vested in his Majesty, the most critical and delicate."* "It is an experiment full of peril to put the representative wisdom and justice of his Majesty's people in the wrong; to set up the representative and constituent bodies of the Commons of this kingdom as two separate and distinct powers, formed to counterpoise each other, leaving the preference in the hands of secret advisers of the crown."†

[1] De Lolme, [*On the Constitution of England*, Book II. chap. xvii. p. 400, edit. 1816.]

* [*Motion relative to the Speech from the Throne*, *Works*, Vol. III. p. 525, edit. 1852.]

† [Ibid.]

In ancient times the case was widely different. At the close of one session, Queen Elizabeth (as we are informed by D'Ewes) gave her assent to twenty-four public and nineteen private bills, and at the same time rejected forty-eight which had passed the two Houses of Parliament.[1] No fact can illustrate more strongly the change which has since taken place in the practical spirit of our Government.

With respect to the House of Lords, it is equally evident, that if they were to attempt to oppose their negative to the decided wishes of the King and Commons, it would be impossible for them to render their opposition effectual. Against such an event, indeed, some security is provided by the Constitution in the King's prerogative of adding at pleasure to the number of the peerage; but abstracting from all considerations of this sort, the truth is, in the present state of things, that the ministry (if they are understood to carry the sovereign along with them cordially in their measures) may reckon with confidence on the support of a majority of the peers. And even were the fact, in any extraordinary combination of circumstances, to turn out otherwise, the Upper House could oppose but a shadow of resistance to the combined strength of the two other branches of the Legislature, supported as they always must be by public opinion, when their views happen completely to coincide. "As to the House of Lords," says Mr. Hume, "they are a very powerful support to the Crown, so long as they are, in their turn, supported by it; but both experience and reason shew that they have no force or authority sufficient to maintain themselves alone, without such support."*

If these observations be just, it necessarily follows, that neither the King nor the House of Lords possess *now* that independence and co-ordinate importance which our popular language and popular theories ascribe to them; and, consequently, that the whole practical efficiency of our Government is either centered within the walls of the House of Commons, or operates by the intermediation of that assembly.

[1] *Blackstone*, Vol. I. p. 184.

* [*Essays*, Vol. I.—Essay, *Of the Independency of Parliament.*]

Agreeably to this view of the subject, it was long ago remarked by Mr. Hume, that "the share of power allotted by our constitution to the House of Commons, is so great, that it absolutely commands all the other parts of the Government."* "How much," says he, "would it have surprised such a genius as Cicero or Tacitus, to have been told, that in a future age there should arise a very regular system of mixed Government, where the authority was so distributed, that one rank, whenever it pleased, might swallow up all the rest, and engross the whole power of the Constitution. Such a government, they would say, will not be a mixed government. For so great is the natural ambition of men, that they are never satisfied with power; and if one order of men, by pursuing its own interest, can usurp upon every other, it will certainly do so, and render itself as far as possible absolute and uncontrollable.

"But in this opinion," he adds, "experience shews they would have been mistaken. For this is actually the case with the British Constitution."†

Shall we therefore conclude, that the whole theory of our Constitution, as commonly stated, is a mere chimera; and that the *three powers*, of which so much has been said, have no real operation? By no means. The *common theory* of our Constitution is perfectly sound in its fundamental principles, although it requires a more full development than is to be collected from the general outline of it delineated by systematical writers. The *three powers* which have been so long regarded as the distinguishing feature of the English plan of policy, *do* all exist in fact, and all operate in a most effectual and important manner, but not in the manner expressed in our laws, or in general supposed by our speculative politicians. In consequence of the changes which time has produced, they do not *now*, as formerly, operate separately and ostensibly; but restraining and modifying each other's effects, they operate in a manner not so palpable, though equally real, by being blended together in the composition of the *House of Commons;* an assembly which is no longer composed of men whose habits and

* [Ibid.]

† [Ibid.]

connexions can be supposed to attach them exclusively to *the people*, but of men, some of whom, from their situation, may be presumed to lean to the regal part of a government, others to the aristocratical; while, on important questions, the majority may be expected to maintain the interests of the community at large.

To illustrate this, it may not be improper to consider of what descriptions of persons the two Houses of Parliament are at present composed; which, when compared with the original composition of those Houses, will at the same time clearly point out the cause of the great difference that exists between the actual state of the Constitution, and the language and forms handed down to us from our ancestors.

This discussion is the more necessary, as the solution given by Mr. Hume of the *paradox*, just quoted from his works, (although unexceptionable as far as it goes,) is stated in terms much too concise and general, to convey complete satisfaction to those who have not corrected their theoretical views of our Government, by an attentive study of this singular machine in its actual movements. "How," he asks, "shall we resolve this paradox? And by what means is the House of Commons confined within the proper limits, since from our very Constitution it must necessarily have as much power as it demands, and can only be confined by itself? How is this consistent with our experience of human nature? I answer, that the interest of the body is here restrained by that of the individuals, and that the House of Commons stretches not its power, because such an usurpation would be contrary to the interest of the majority of its members."* The question, however, still recurs, how does all this happen, and to what causes is it owing that the theory of our Constitution, which we know was in former times nearly realized, should now be so little applicable to its practical administration? The truth, I apprehend, will appear from the following observations to be this; that in the present, as in numberless other instances, the natural course of events, unfettered in this fortunate country by those restraints which, in

* [Ibid.]

other parts of the world, cramp the energies of the human mind, has gradually and insensibly adapted our existing institutions to the varying circumstances of a progressive society, and has thus preserved their original spirit, even where they appear on a superficial view to be most incompetent to their end.

In the earlier ages of the English history, it is of essential importance for us to recollect, that the Peers comprehended the great nobility and principal proprietors of the country, and formed not only the nominal, but the real aristocracy of the state. The House of Commons, on the other hand, was composed of men who were really of the plebeian order—of merchants and traders, and gentry of small fortunes. In one of the ancient writs, they are described as follows:—"Dubbed Knights, or the most worthy, honest, and discreet Esquires in each county, the most expert in feats of arms, and no others; and of every city two citizens, and of every borough two Burgesses, discreet and sufficient, and such who had the greatest skill in shipping and merchandizing." Even so far down as the time of Edward III., (during which reign, by the way, they seem first to have formed a distinct body,) they appear to have been summoned for no other purpose than to assess aids of money, and to present humble petitions with respect to their grievances. In the year 1332, we find this prince retaining his lords and councillors to advise him in some matters of moment he had to propose to them, after he had dismissed the representatives of the people; and a few years afterwards, they themselves declined giving their advice upon the *Ardua Regni*, promising "to confirm implicitly the advice of the nobles, conscious of the weakness of their abilities to advise the best." "The petitions of the Commons," says Mr. Christian,[1] "frequently began with, 'Your poor Commons beg and pray,' and conclude with, 'for God's sake, and as an act of charity.' It appears, that prior to the reign of Henry V., it had been the practice of the kings to add and enact more than the Commons petitioned for. In consequence of this, there is a very memorable petition from the Commons in 2 Henry V., which

[1] *Notes on Blackstone*, Vol. I. p. 181.

states, that it is the liberty and freedom of the Commons, that there should be no statute without their assent, considering that they have ever been as well *assenters* as *petitioners;* and, therefore, they pray that for the future there may be no additions or diminutions to their petitions. And in answer to this, the king granted, that from henceforth they should be bound in no instance without their assent, saving of his royal prerogative to grant and deny what he pleased of their petitions."[1] The same author adds, that "it was long after its creation, or rather separation from the barons, before the House of Commons was conscious of its own strength and dignity;" and such was their modesty and diffidence, that they used to request the Lords to send them some of their members to instruct them in their duty, "on account of the arduousness of their charge, and the feebleness of their own powers and understandings."[2]

At present, it is hardly necessary for me to remark how much the case is altered in both Houses. In the Upper House there are peers, who, so far from possessing great landed property, are supported by the bounty of the Crown. Nay, it is not unusual, on the creation of new peers, for the king to assign to them pensions, for the express purpose of enabling them to support their dignity. Nor are all the members of this House men of illustrious descent; for many of them have been raised from a very obscure origin, in consequence of their public services, or their address in courting ministerial favour; and, therefore, the condition of a peer of Great Britain neither implies the possession of landed property, nor the distinction connected with ancient ancestry. If we examine the House of Commons, we find that a change no less remarkable has taken place in its composition since the period of its first institution, for *there* we find individuals of the oldest families in the country, possessing landed estates of £20,000, or £30,000, or £40,000 a year. We find in the same House, men who, even in the order of *precedence*, are superior to the majority of the House of Lords. Such, for example, as the eldest sons of Dukes, who are *commoners* in the eye of the law, and yet who have the

[1] Christian—*ubi supra.* [2] Ibid.

right of precedence by Act of Parliament over every Peer under the rank of Marquis. With these men are united, in the same House, a few of the more eminent merchants of England,—a few lawyers, (who consider a seat in it as putting them in the way of professional preferment,)—a great many sons and younger brothers of peers,—a number of country gentlemen of independent fortune, and a few individuals of splendid abilities, introduced by the influence of the Crown, or of the great families.

From the account which has been given of the composition of *this assembly*, it is evident that both King and Peers *must* possess a very great *indirect* influence on its proceedings; and, in so far as the one or the other influence prevails, the actual state of the constitution leans to Monarchy or to Aristocracy. If the Crown disposed of all the seats, the Constitution, under the forms of a mixed government, would be a pure Monarchy; or if, on the other hand, the Peers disposed of all the seats, the Constitution, under the same forms, would be a pure Aristocracy. It was formerly shewn, however, [*supra*, p. 443, *seq.*,] that the different parts of our constitution cannot, in the present state of things, operate as checks on each other, in the way that our constitutional laws suppose, and that the whole efficiency of government must necessarily be in the House of Commons. If the Crown and Peers, therefore, had *no* influence in that House, the constitution, under the forms of a mixed government, would be a pure Democracy; whereas, if each has a certain influence, the three powers may balance each other, and may produce the happy result aimed at in the theory of our constitution, in a way still more advantageous than if it were exactly realized, by saving the machine of government from those violent shocks it must occasionally suffer if king, lords, and commons were openly and avowedly to draw, in any instance, in different directions.

The perfection of our government, while its present forms continue, consists in properly balancing these influences, by giving to the Sovereign a sufficient degree of parliamentary weight to produce a *general* support to public measures, without an implicit confidence in ministers;—to the Aristocracy such

a weight as may be necessary to secure a due respect to landed property, and to ancient establishments;—and to the People such a preponderance as may enable them to secure equal liberty and impartial justice to every subject, without permitting them to run into the extravagances of popular tumult and violence.

How far this description is realized in the actual state of our Government we have not at present leisure to examine. In the opinion of some very eminent politicians, "*a new principle of authority* (unknown to the constitution before) may be traced from the time of the Revolution." "Before that period," (it has been remarked,) "the friends of liberty dreaded only the direct encroachments of the prerogative; they have since learned to entertain stronger apprehensions of the secret motives of interest which the Crown may hold up to individuals, and by which it may seduce them from the duty which they owe to the public."[1] On this subject, it was long ago remarked by Sir William Blackstone, (and the observation has been still more forcibly stated by various writers since his time,) that "if the instruments of power are not so open and avowed as they formerly were, they are not the weaker on that account; and that our national debt and taxes have, in their natural consequences, thrown such a weight of power into the executive scale of government, as we cannot think was intended by our patriot ancestors, who gloriously struggled for the abolition of the *then* formidable parts of the prerogative, and by an unaccountable want of foresight, established this system in its stead." In this observation it cannot be denied, that there is much, and very important truth; but it does not affect the justness of the *speculative*, or rather the *hypothetical* principle, which I have been attempting to establish, that *supposing* the indirect influences of the king and of the peers to be carried no further than is necessary to preserve a due balance among the three powers essential to our constitution,—so far from being abuses, they seem to be absolutely requisite for preserving the ancient spirit of our mixed government under the important changes

[1] Millar's *English Government*, Vol. IV. p. 95.

which time has produced in the condition and manners of the different orders of the community.

On these grounds, therefore, I am strongly inclined to agree with Mr. Hume, that "instead of asserting absolutely that the dependence of Parliament, *in every degree*, is an infringement of British liberty, the country party should have made some concessions to their adversaries, and have only examined *what was the proper degree of this dependence*, beyond which it became dangerous to liberty."* If this moderate language had been less suited to the purposes of a political party, it would at least have had a fairer chance of being substantially useful to the public.

The further prosecution, however, of this argument would be altogether foreign to my present purpose, as it is not on any speculative or dubious views of the constitution that I would wish to rest its substantial and characteristical merits. I have repeatedly observed, that forms of government are of importance chiefly, as they lead to wise systems of internal policy, or; as I have elsewhere expressed it, "the only infallible criterion of the excellence of a constitution is to be found in the detail of its municipal code."† Judging by this test, by the actual effect of the government in securing the happiness and promoting the improvement of its subjects, the English Constitution is unquestionably entitled to a preference over all those which have been hitherto realized in the history of mankind. "During the last sixty years," says Mr. Hume, in an *Essay* published in 1752, and the remark may be now repeated, with all the additional sanction of our subsequent experience, "during the last sixty years," (or rather, we may now say, since the beginning of the last century,) "an uninterrupted harmony has been preserved between our princes and our parliaments. Public liberty, with internal peace and order, has flourished almost without interruption,—trade and manufactures and agriculture have increased, —the arts and sciences and philosophy have been cultivated,—

* [*Essays*, Vol. I.—Essay, *Of the Independence of Parliament.*]

† [*Account of the Life and Writings of Adam Smith*, 1793, sect. iv.; *infra*, Vol. X. p. 55.]

even religious parties have been necessitated to lay aside their mutual rancour, and the glory of the nation has spread itself all over Europe. . . . So long and so glorious a period no nation can boast of; nor is there another instance in the whole history of mankind, that so many millions of people have, during such a space of time, been held together in a manner so free, so rational, and so suitable to the dignity of human nature."[1]

I have now finished the plan which I proposed to myself at the opening of this Course of Lectures; and in the last part of it have introduced some discussions concerning various questions of Political Economy,* which I have generally reserved for a more advanced class of students. I could have wished, before taking my leave, to indulge myself in a short retrospect of the principal subjects to which I have endeavoured to draw your attention; but this it is impossible for me now to attempt, without trespassing more than would be proper on your time and patience. The field we have surveyed together is indeed an ample one, and comprehends the most interesting questions which can possibly employ the human faculties. If my ability to do justice to these questions had corresponded in any degree to my wishes, or to the idea with which I have been uniformly impressed of the peculiar importance of that station which I hold in this University, I should now close the labours of this session, not only with the agreeable recollection of the hours which I have spent in reviewing once more the fundamental principles of a favourite study; but with the satisfaction of having discharged a duty of as extensive an utility as most individuals in the private situations of life can be called on to execute.

And now, gentlemen, when the connexion is to be dissolved which has for some months past subsisted between us, may I

[1] *Essays*, Vol. I.—Essay, *Of the Protestant Succession.*

* [There are extant *two* conclusions to the Lectures on *Politics Proper;* which Lectures, it will be remembered, were always delivered by Mr. Stewart at the end of, but in connexion with his general Course of *Moral Philosophy*. Of these conclusions, the one here given is dated 18th April 1808; the other marked as for the Session 1803-4, will be found in the Appendix, p. 459.]

not be permitted to express the hope which I am encouraged to entertain by the attention with which you have honoured me: that, long after the period of your academical education, you will recollect with satisfaction these studies of your youth; and that by fixing in some measure your principles concerning the nature, the duties, and the prospects of man, they may contribute, under the various vicissitudes of fortune that may yet await you, to fortify your virtuous resolutions, to elevate your views above the pursuits of a vulgar ambition, and to cherish in your minds those habitual sentiments of religion, of humanity, of justice, and of fortitude, which can alone render the talents and accomplishments, (to the cultivation of which so many of your early years have been already devoted,) a source of permanent happiness and honour to yourselves, a blessing to your friends, and a pledge to your country for the perpetuity of that political fabric reared by the hands and cemented with the blood of your ancestors, now, alas! standing alone amid the wreck of surrounding establishments, the last *asylum* and the only remaining *bulwark* of the liberties of Europe.—18*th April* 1808.

APPENDICES

TO PARTS FIRST AND SECOND.

APPENDICES.

APPENDIX I.—To B. II. Ch. III. § 3, p. 114.

Quotation on the Exportation of Grain, from Howlett.

* * * * * * * *

"Although I have already, I presume, sufficiently evinced that the influence of all legal regulations, with regard to the imports and exports of grain, is perfectly trifling when compared with the influence of the seasons, as well as the influence of the general state of the kingdom, I would, however, by no means have it concluded that I think them at all times and in all cases absolutely useless.

"There may be occasions in which they are highly expedient. If there be an uncommon scarcity of grain, we must endeavour to procure it from abroad, or run the hazard of starving. If, on the other hand, the domestic produce be so exceedingly abundant as to sink the price greatly below what the farmer can grow it for, some foreign market must be found, or, from the discouragement thence arising to the culture, it may probably occasion future want. Bounties, too, upon importation in the former instance, and upon exportation in the latter, provided the tricks and frauds of merchants and corn-dealers are sufficiently guarded against, may not be improper. In these extreme cases, I think there can be little doubt. But the principal question is, whether, in the *intermediate* situation of things, legal regulations, pointing out the exact prices at which exportation and importation should each respectively take place, be absolutely necessary, or even expedient. For my own part, I am rather inclined to think that the whole might safely be left to the natural course of things, and that a free unrestrained trade would be attended with no *permanent* evil.

"Were there no general prospect of either exportation or importation, the home consumption would be the sole object regulating the growth; the farmer would always endeavour to raise it as long as it were worth his while, and no laws could induce him to do it any longer. Whatever he finds most profitable he will turn his attention to, be it corn, hops, or cattle; and this in time will inevitably produce a general level. Variety of seasons, as better suiting the one or the other, will, indeed, occasion frequent vibrations of the balance, but all will finally tend to restore and preserve the due equilibrium. And I much question whether any of the corn laws, through the whole of the present century, have occasioned a single acre more or less to be sown, with any species of grain, than would have been had no such laws ever existed."—*Dispersion of the Gloomy Apprehensions*, &c., by the Rev. John Howlett, p. 37.

APPENDIX II.—To PART I., p. 326.

A Conclusion of the First Three Books of Political Economy,—strictly so called.

I intended, before concluding my Lectures on *Political Economy*, to have marked out a plan of reading on the different subjects which have been under our review. But this, time will not allow me to attempt at present; and I regret the omission the less, that an enumeration of a long list of books might, not improbably, have had the effect (at least with my younger hearers) of distracting the attention, by leading to the perusal of a multiplicity of discordant and inconsistent theories. I shall therefore confine myself to a few authors whose works appear to me most likely to be useful to you in the farther prosecution of these studies.

On the first Article, (that of POPULATION,) I formerly recommended the Dissertation of Dr. Wallace, *On the Numbers of Mankind;* and the Essay of Mr. Hume, *Of the Populousness of Ancient Nations.* In France, the chief writers on Population are Moheau and Des Parcieux, and the Marquis de Mirabeau, in his *Ami des Hommes.* Of a voluminous Treatise on Population, written in German by Mr. Suessmilch, I am sorry I cannot speak from my own knowledge; but by many very competent judges, both among English and French politicians, it is mentioned as a performance of extraordinary merit, distinguished equally by the correctness of the author's researches into facts, and the soundness of his general principles. I am almost ashamed to add, that I am ignorant whether this book has or has not been yet translated into English.

In our own language, a great work, *On the Principle of Population,* has been lately published by Mr. Malthus. At the time I was treating of that subject, I had looked into the second edition in a very slight and cursory manner; but I have since perused great part of it with much attention, and I am happy to add my warmest testimony in its favour to the uncommon marks of approbation which it has already received from the public. With some of the author's general views, indeed, I cannot agree; but they are *always* distinguished by ingenuity, and *frequently* by justness and depth; and he has had the merit (in addition to the extensive and seemingly accurate information which he has collected in the course of his own travels) of giving connexion and arrangement to an immense accumulation of insulated facts, which formerly lay scattered and useless in the miscellaneous volumes of preceding writers.

With respect to NATIONAL WEALTH, I have all along recommended, and must beg leave again to recommend, Mr. Smith's *Inquiry,* as the book with which the student may, with most advantage, *begin* his researches on this subject; not only on account of the comprehensive outline it exhibits of its various parts, but as it is the *Code* which is now almost universally appealed to, all over Europe, as the highest authority which can be quoted in support of any political argument.—The work of Sir James Steuart, too, [*Inquiry into the Principles of Political Œconomy,*] besides some ingenious speculations of his own, contains a great mass of accurate details, (more particularly with respect to the state of foreign nations,) ascertained by his own personal observation during his long residence on the Continent.—Turgot's *Reflections on the Formation and Distribution of Riches,* form a beau-

tiful outline of the fundamental principles of that branch of the science, according to the doctrine of the Economists; an outline which may be afterwards filled up by a perusal of Mercier de la Rivière's *Natural and Essential Order of Political Societies*, and of the collection published by Dupont under the title of *Physiocratie*.

In this very difficult department of economical knowledge, a work has just appeared by the Earl of Lauderdale, [1804,] which, from the great abilities and extensive information of the author, cannot fail to throw many new and important lights on the questions it discusses. My time has not yet allowed me to give it a complete perusal; but I have read enough to be satisfied that some of those doctrines which are at present very generally received as elementary truths, require a new and a more accurate *analysis* than they have yet been subjected to. Various criticisms, in particular, which he has offered on the systems both of Mr. Smith and of the Economists, (more especially those in the chapter which treats *Of the means of augmenting Public Wealth, and the Causes that regulate its increase,*) deserve the serious examination of all those who are disposed to attach themselves exclusively to either of these authorities, and open some very original views on a subject equally interesting and abstruse.

On the much agitated topic concerning the LEGISLATION OF GRAIN, it gives me pleasure to observe, that a new edition has just been published of the truly valuable and very scarce collection, entitled *Corn Tracts;* ascribed by some to the late Mr. George Grenville, but now known to be the work of an English gentleman of the name of Charles Smith. This edition, I understand, contains some additional papers relative to the controversy.*

On the last article† which has been under our consideration, that of THE STATE OF THE POOR, it is unnecessary for me to particularize any work, but that of Sir F. Morton Eden, [in three volumes quarto, 1797,] which may be considered as a sort of *Thesaurus* or *Digest* of all the most important facts and speculations which have been hitherto laid before the public; not only with respect to the *Poor-Laws* in these kingdoms, but with respect to many collateral questions connected with that branch of legislation. It contains, besides, a very complete list of the publications of his predecessors in the same line of study.—13*th April* 1804.

APPENDIX III.—To PART II., p. 452.

An earlier Conclusion of Politics Proper.

With these very slight remarks on the *English Constitution*, I shall for the present close our Political speculations, and at the same time conclude the academical business of this Session. A review of that plan of polity under which we ourselves have the happiness to live, seemed to me to form (*more particularly in such times as the present*) the most useful and practical termination I could give to the discussions in which we have so long been engaged in this place. As the leading

* [This collection, entitled *Three Tracts on the Corn Laws*, was first published in 1758 and 1759. It was reprinted in 1804, with a Life of the Author by George Chalmers. Charles Smith was born 1713, and died 1777.]

† [The Lectures on EDUCATION followed, and they terminated the course.]

object of these discussions has been to illustrate and enforce the great duties of life, so the duty of *Patriotism*, which, among those we owe to our fellow-creatures, certainly holds the most distinguished rank, is that which I was more particularly anxious at this moment to impress on your minds; by bestowing on those subjects which lead the thoughts to the obligations it imposes, all the occasional interest which may arise from the circumstance of our approaching separation. A sacred and uniform regard to this duty leads, in truth, *more* than any of our other social dispositions, to a conduct wise, manly, and beneficent; and so far from interfering with our more confined attachments, it presupposes and comprehends them all, or rather springs up from them, as from its proper root. "Cari sunt parentes, cari liberi, propinqui, familiares; sed omnes omnium caritates *Patria una* complexa est: pro qua quis bonus dubitet mortem oppetere, si ei sit profuturus?"* It was with this view chiefly, that I have employed my last Lectures in illustrating the peculiar excellencies of the English Constitution; satisfied as I am that a faithful delineation of its fundamental principles affords the strongest motives that can be suggested for our exertions in transmitting it as far as lies in our power unimpaired to our posterity.

I once intended, before taking my leave, to have resumed a subject which I left unfinished, when it was formerly under our consideration; I mean a review of *the principal causes which have hitherto retarded the progress of the Sciences*. But this your time renders it impossible for me now to undertake; and, indeed, I flatter myself, that after the inquiries in which we have been so long engaged together, any additional illustrations of the object and spirit of the *inductive philosophy* would be, in a great measure, superfluous. It has certainly been my uniform aim to exemplify its rules to the utmost of my ability, founding my reasonings on *facts* alone; and checking myself whenever I was conscious of a disposition to depart from the *genuine interpretation of nature*. This inductive plan of philosophizing I was anxious to recommend, not only as the sole avenue which leads with certainty to the truth, but as the only effectual preservative against that miserable perversion of the understanding which blinds it to the perception of the wise and beneficent order of the universe. It is beautifully remarked by Dr. Ferguson, that "the foundations of religion are laid in the genuine lessons whether of *physical* or *moral* science; and are to be met with in the concluding observations of Newton's *Principia*, no less than in the remains of Socrates, or of Epictetus, or of Marcus Aurelius. In the one it is the suggestion of *final causes*, or of an arrangement in the works of nature, for which mechanism alone will not account. In the other it is the result of minds devoted to the government of wisdom and the sentiments of benevolence, and who receive with some degree of a congenial spirit, the indications of supreme intelligence and goodness, as they are perceived to operate in the great system of the world."†

It is in this manner that true philosophy furnishes the most effectual bulwark against Atheism; insensibly moulding our habits of thinking and of feeling in conformity to the systematical operations of infinite wisdom and goodness; while, on the other hand, just moral impressions concerning the order of the universe and the course of human affairs, afford the best and surest lights to guide our inquiries,

* [Cicero, *De Officiis*, Lib. I. cap. xvii.]

† [*Principles of Moral and Political Science*, Part I. chap. iii. sect. 13.]

if we should attempt to extend the bounds either of physical or of ethical knowledge.

It is not, however, to those alone who look forward to the pursuits of science that I have addressed myself in these Lectures. The greater part of you are probably destined for the active walks of business; and, under this impression, I have uniformly endeavoured, as far as I was able, to direct your attention to studies susceptible of a practical application to the great concerns of human life,—whether Providence may allot to you the obscure but important duties of a private station, or may be pleased to call you to the great and arduous scenes of public affairs. In either event, I shall follow you with my affectionate wishes through the various fortunes that may yet await you:—And, believe me, nothing will ever give me greater satisfaction than to hear, that you have carried into the different departments of life for which you may be destined, those steady principles of religion, of integrity, and of beneficence which can alone render you happy in yourselves, and blessings to mankind.—1804.

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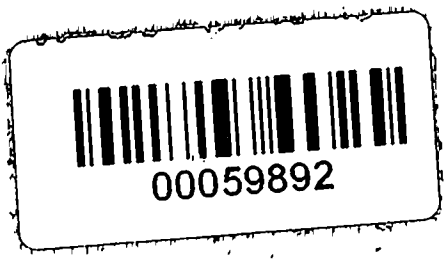
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